



How to Make a Small Fortune with A Craft Brewery

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Disclaimers

- Flagship era draft only production brewery 2 years ago.
- Correlation vs. causation?
- An asterisk (*), indicates something we did not do.
- Past performance is not a guarantee of future results.

Have a thing.

- What—Be specific. Limit scope.
- Why—Seriously. Why?
- Who—Why you?
- When—Be realistic.
- Where—Consider practical considerations.
- How—Funding and tactics.

Be prepared.

- Focus (obsess) on the beer.
 - Know beer making BEFORE you start your brewery.*
- Study other breweries!
- Keep profitability in mind without being short-sighted.

Be adaptable.

- Pro forma financials x3.
 - Expected.
 - Crazy good.
 - Crazy bad.

Stack the deck.

- Be somebody.
 - Thing 1—Have existing relationships.

Thing 1: Manny Chao



Stack the deck.

- Be somebody.
 - Thing 1—Have existing relationships.
 - Thing 2—Have created exceptional beer before.*

Thing 2: Steve Luke*



Stack the deck.

- Be somebody.
 - Thing 1—Have existing relationships.
 - Thing 2—Have created exceptional beer before.*
- Become somebody.
 - Get a damn job—learn and establish yourself on someone else's dime.
 - Go to school.*
 - Go nano.*

Get the money. Keep the farm.

- Source it.
 - Personal fortune. Home equity?
 - Friends, Family and Fools
 - Banks, SBA.
- Terms.
 - Equity value—be persuasive.
 - Debt value—be creative.
- Own it.
 - Autonomy
 - Upside

Decide: Go / No-Go.

- Assess your personal situation.
- Assess the business opportunity.
 - Risk.
 - Potential Reward.
 - Probability of success.
- Is it a deal YOU can't refuse.

Get the best people you can.

- Nobody.
- Complementary people—know your limitations.
 - Apprentices.
 - Legit talent—possibly equity.

Be the best partner you can.

- To your employees and co-owners.
- To your suppliers.
- To your wholesalers.
- To your retailers.
- **TO YOUR END CONSUMER!**

Don't let your money guy make decisions...ever.

- Your money guy **informs** decisions.
 - Available cash and debt.
 - Cash flow projections.
 - Opportunity cost.
 - Limitations and risks.

The insanity.

- Growth is great!
 - But it is expensive.
 - And it can kill you.
- Invest in quality
 - Centrifuge, lab, people

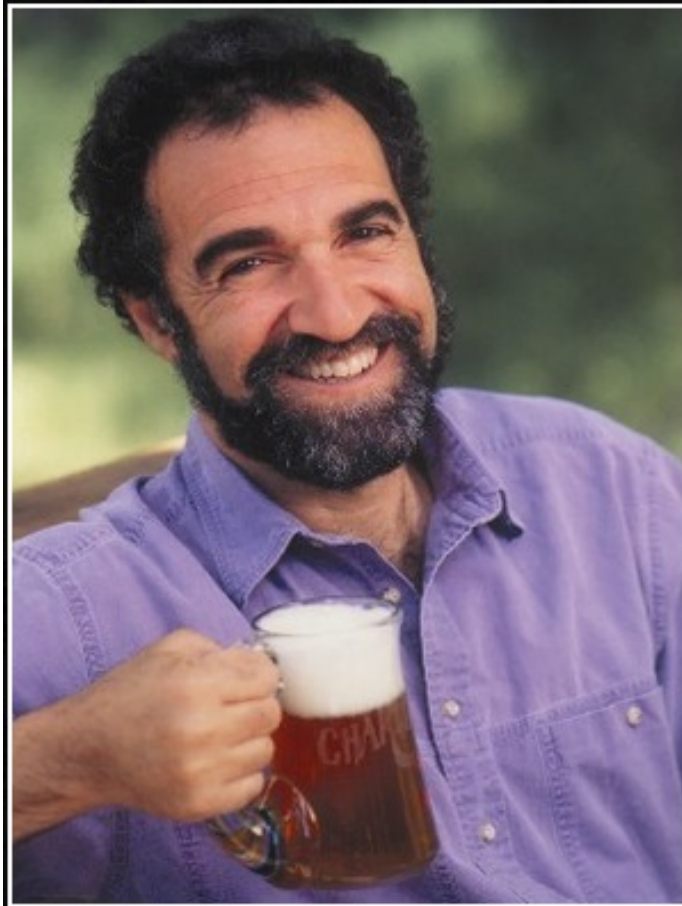
Stop the insanity.

- Slow, stop, or pause growth.
- Reassess. Identify your “sweet spot.”
 - See also, Dick Cantwell 4:15pm today.

End game.*

- Don't sell.
- Sell.*
- Other.*

Whatever happens...



Relax, don't worry, have a home
brew.

— *Charlie Papazian* —

AZ QUOTES