

Business of Craft Beer 103: Distribution and Sales in Craft Beer

The University of Vermont

CDE_BCB103

FACULTY AND COURSE FACILITATOR

Faculty: Jon Reynolds

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Faculty: Kary Shumway

Faculty Contact Information: kshumway@clarkedistributors.com

This course is designed with two faculty leads: Jon Reynolds and Kary Shumway, and a number of subject matter experts who offer their wealth of experience.

As faculty co-leads and industry experts, Jon and Kary work with the other experts to review your materials, answer content questions, participate in course discussion, and deliver the online sessions. The course schedule at the end of this syllabus lists who is the lead instructor each week.

Course Facilitator: Michelle Forster

Course Facilitator Contact Information: Fosterbrewing@gmail.com

As a course facilitator, Michelle Forster is your point of contact regarding general class issues, such as, discussion board grades, technical/Blackboard problems, and other general course questions.

To contact Michelle, Jon, or Kary, use the email link in the Blackboard navigation bar to email them directly. We do our best to get back to you within 24 hrs. Please note that weekends and travel may extend this timeframe.

COURSE OVERVIEW

Course Description

This course focuses on the various strategies and tactics required to sell beer and promote a brewery's brand. With the growth of taprooms as a focus for many breweries,

we will also examine how to maximize revenue opportunities and engagement with customers. Whether you are planning a brewery or a career in beer sales, this course provides essential details to gain success in today's crowded retail market.

Course Objectives

By the end of the course, participants will be able to:

- Navigate the full sales landscape including how the three-tier system impacts the sale of beer, understanding the buyer/seller landscape, modeling the sales forecast, and increasing its accuracy
- Describe the margin structure for beer pricing
- Utilize a range of sales techniques to handle retailer objections, gain the retailer buy-in, and close the sale
- Build a successful relationship with your distributor, with an understanding of how this relationship informs the sales process
- Maximize taproom sales
- Determine if/when self-distribution is appropriate and outline the related sales process for breweries who elect to self-distribute
- Use VIP and Ekos Brewmaster to assist in the sales process

Course Duration

8 Weeks

Course Flow

Our week runs from Wednesday to Tuesday night. Each new module opens on Tuesday at 11:59PM.

Live/Synchronous Sessions

The class will meet for live/synchronous sessions on **Mondays at 7pm ET** for about an hour.

Course Work

We estimate the student will dedicate at least 8-10 hours a week to course work. This will be a combination of readings, discussion boards, collaborative assignments, etc.

PROGRAM REQUIREMENTS AND GRADING

Program Requirements

This is a non-credit, certificate based, program. At the conclusion of the program students do not receive a letter grade but instead receive a certificate of completion. In order to receive a certificate of completion for the Business of Craft Beer Program, students must successfully complete three Business of Craft Beer courses. Students also have the option of creating a Capstone Project. The Capstone Project takes place following completion of three courses.

Course Grading

In order to pass this course students must earn a 70%, or greater, based on the below criteria. Successful completion of this course is determined by the following factors:

- **Peer Review and Discussion Board:** Timely completion and participation in weekly peer review and discussion board postings makes up 50% of the grade for this course.
- **Assignments:** 50% of your grade is based on the completion of the module assignments.

Students are encouraged to participate every week and are able to pass/miss two weeks of discussion without any penalty. Blackboard will automatically drop your two lowest discussion grades. Please notifying the course facilitator if you plan on missing two weeks.

Our goal of dropping your two lowest discussion board grades is to provide you the opportunities to focus on the assignments that are most important to you while balancing your class load.

Late Submissions

Timely participation is an important component of the course, and maximizes both your understanding of the material and the creation of a collaborative learning experience as you offer thoughtful feedback to your peers.

Submissions based on a 10-point system will receive the following deductions:

- > 1 week late: .25 points deducted from grade
- > 2 weeks late: .5 points deducted from grade
- > 3 weeks late: .75 points deducted from grade
- > 4 weeks late: 1 point deducted from grade

Submissions based on a 100-point system will receive the following deductions:

- > 1 week late: 2.5 points deducted from grade
- > 2 weeks late: 5 points deducted from grade
- > 3 weeks late: 7.5 points deducted from grade
- > 4 weeks late: 10 points deducted from grade

Feedback on Submissions

The instructors and course facilitators will provide grading and feedback within 7-10 days from an activity's due date.

Discussion Boards

The discussion boards are an important part of your learning experience. Most students find participating in discussions help them understand the course content, deepens their learning, and strengthens their ability to think critically.

- Each week you are asked to share an original post on the discussion board and provide at least one response post with substantive feedback to your peer's work. The feedback can draw from your experience, include questions for your colleagues in the class, or bring in additional resource to grow the conversation around the assigned topics. We are looking for more than positive reinforcement and high fives.
- The course instructor and guest instructors leave feedback and critiques on your posts in the discussion board. In this way, everyone can learn from their feedback.
- Your weekly discussion board grade is determined by the course facilitator based on the rubric below.
- Your grade will be entered into the system the week after it is assigned.

Each Discussion Board (DB) grade is based on the following rubric:

Criteria	Master	Adept	Competent	Needs Improvement
Content of Original Post	7 points Responds to the discussion prompt in depth, provides insight and application of week's materials	5 points Responds to the discussion prompt and provides examples of insight or application	3 points Responds to the discussion prompt with little expansion, insight, or application	0 points No post
Content of Response Post(s)	3 points Includes questions, offers critique, and fosters collaboration	2 points Offers constructive feedback but may not grow the conversation	1 point Post(s) are not substantive	0 points No post(s)

COURSE SCHEDULE

Module	Dates	Topics	Instructors and Guest Speakers
Industry Trends and the Three-Tier System	Week 1	<ul style="list-style-type: none"> • Distribution and sales trends in the craft beer industry • The three-tier system and taxes • Roles and responsibilities within the three-tier system (manufacturer, distributor, retailer) • Wholesaler exclusivity and distribution rights/obligations 	Instructor: • Jon Reynolds Guest: • Guest: Jeff Nowicki, Bump Williams Consulting
Beer Pricing and Packaging Trends	Week 2	<ul style="list-style-type: none"> • Margins for value pack beer pricing vs. standard beer packaging • Packaging trends across all package sizes • Strategy for introducing value packages 	Instructor: • Jon Reynolds

Distribution Part 1: Partnering with a Distributor	Week 3	<ul style="list-style-type: none"> ● Distributor selection criteria/What makes a good craft beer distributor? ● Brewery-distributor partnerships ● Evaluation scorecard ● Distributor agreements and contract best practices 	Instructor: <ul style="list-style-type: none"> • Kary Shumway, Beer Business Finance Guest: <ul style="list-style-type: none"> • Rob Burns, Co-Founder, Night Shift Brewing
Distribution Part 2: Self-Distribution	Week 4	<ul style="list-style-type: none"> ● Advantages and disadvantages of self-distribution ● Start-up Capital ● Route management and delivery/account coverage ● Margin Comparison—Cash Flow Enhancement ● Succession Planning or Transitioning To Full-Service Distributor once scale is achieved 	Instructor: <ul style="list-style-type: none"> • Kary Shumway, Beer Business Finance Guest: <ul style="list-style-type: none"> • Drew Brosseau, Mayflower Brewing Company
The Buyer/Seller Landscape in Beer Sales	Week 5	<ul style="list-style-type: none"> ● The buyer/seller landscape (on-premise, off-premise, distributor, brewery) ● The roles and functions of sales staff in the buyer/seller environments ● Opportunities and constraints for customers ● How the three-tier system impacts the final cost to the consumer (aka. “beer math”) ● Determining FOB/margins ● Key performance indicators (KPIs) 	Instructor: <ul style="list-style-type: none"> • Jon Reynolds
Sales Techniques and Gaining Distributor Buy-in	Week 6	<ul style="list-style-type: none"> ● Organizing sales techniques (price, promotion, in-store tastings, trade samples, distributor incentives) ● How to vary techniques for wholesalers, retailers, and chain buyers 	Instructor: <ul style="list-style-type: none"> • Jon Reynolds Guest: <ul style="list-style-type: none"> • Dani Hoyler, Three Floyds Brewing

		<ul style="list-style-type: none"> • Common objections found in retail/bars and how to overcome these • Sales estimates • The Distributor Territory Agreement, gaining volume and marketing participation in new product launches 	
Executing the Business Plan	Week 7	<ul style="list-style-type: none"> • The role of each tier in the sales environment • Market evaluation tools (IRI, VIP, iDig, Nielsen) • Sales targets for on-premise and off-premise accounts • Maximizing sales to key retailers • Analyzing the brewery's goals per sales period • Sales forecast and how to improve its accuracy • Managing craft beer brands (off-premise sales, on-premise outlets) • Placement incentives, volume incentives and tap bounties • New product rollout 	<p>Instructor:</p> <ul style="list-style-type: none"> • Jon Reynolds <p>Guest:</p> <ul style="list-style-type: none"> • Matt Schoenherr, Pabst, State's Sales Manager
Category Management	Week 8	<ul style="list-style-type: none"> • Augmenting channel selling using the brand marketing story • Types of negotiations (wholesaler, retailer, chain buyer, bar owner) • Understanding category management • How distributors manage shelf space and gain access to the cold box • Strategies for POS on displays, ads, and special prices • In-store strategies (accelerating retail sales momentum, building displays, overall traffic flow and 	<p>Instructor:</p> <ul style="list-style-type: none"> • Jon Reynolds

		position, sales opportunities out of the beer and wine department) <ul style="list-style-type: none"> • The reset process and small breweries 	
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Student Learning Accommodations: In keeping with University policy, any student with a documented disability interested in utilizing accommodations should contact ACCESS, the office of Disability Services on campus. ACCESS works with students and faculty in an interactive process to explore reasonable and appropriate accommodations via an accommodation letter to faculty with approved accommodations as early as possible each semester. All students are strongly encouraged to meet with their faculty to discuss the accommodations they plan to use in each course.

Contact ACCESS: A170 Living/Learning Center; 802-656-7753; access@uvm.edu; www.uvm.edu/access

UVM's policy on disability certification and student support: www.uvm.edu/~uvmppg/ppg/student/disability.pdf

Religious Holidays: Students have the right to practice the religion of their choice. If you need to miss class to observe a religious holiday, please submit the dates of your absence to me in writing by the end of the second full week of classes. You will be permitted to make up work within a mutually agreed-upon time.

Academic Integrity: The policy addresses plagiarism, fabrication, collusion, and cheating. <http://www.uvm.edu/~uvmppg/ppg/student/acadintegrity.pdf>

Grade Appeals: If you would like to contest a grade, please follow the procedures outlined in this policy: <http://www.uvm.edu/~uvmppg/ppg/student/gradeappeals.pdf>

Grading: For information on grading and GPA calculation, go to www.uvm.edu/academics/catalogue and click on Policies for an A-Z listing.

Code of Student Rights and Responsibilities: www.uvm.edu/~uvmppg/ppg/student/studentcode.pdf

FERPA Rights Disclosure: The purpose of this policy is to communicate the rights of students regarding access to, and privacy of their student educational records as provided for in the Family Educational Rights and Privacy Act (FERPA) of 1974. <http://www.uvm.edu/~uvmppg/ppg/student/ferpa.pdf>