# Partner Brewing Use Cases

# Grow Core & Distributed SKUs









#### **GROW YOUR HIGH VOLUME SKUs**

For small and growing craft breweries, having 2-4 core SKUs in distribution can be an excellent way to build awareness of your brand, and also to diversify revenue streams - but the demand of keeping pace with production of those SKUs, and also maintaining production of taproom-exclusive and creative, passion projects can be a strain on any production schedule. This can be especially true if the velocity and demand on these core SKUs require double or triple brews.

One of the most productive - and frequent - uses of our partner brewing services has been transitioning core, high-volume SKUs to partner brew with us in order to free up brewing, tank, and packaging resources for taproom exclusive and creative projects, while still keeping up with demand from their accounts to maximize their margin and revenue from distribution.

# scaling production without capex

While these core beers are crucial to the financial and brand success of these partners, the additional volume of these beers in distribution can quickly outstrip the production capabilities of many smaller breweries. Being able to scale your production to meet these demands without expanding or incurring significant costs is a key benefit that partner brewing can deliver from day one.

It also doesn't usually make sense for many breweries to make the heavy capital investments necessary to expand the brewhouse and cellar just to meet the demands of a handful of their beers. Having the flexible capacity of partner brewing to expand these SKUs into can help breweries meet the velocity and demand on core brands without incurring the (often prohibitive) upfront costs of expansion. We often hear from consultants, successful breweries and industry experts that small and growing businesses should focus their money on sales and marketing, rather than capex that doesn't deliver benefits over working with a partner brewing facility like Dorchester Brewing Co.



## understand & increase margin on distro

There's no denying the important role that distribution can play in the ecosystem for driving revenue, and for helping breweries reach new customers and drive awareness. It's also no secret that the margins in distribution are *tight*, given the percentages and markups that go to the distributor and the retail account. This shrinking of a brewery's margin is even more reason to look at production costs for SKUs going into distribution, since even in cases where the production costs make economic sense for beer going over your own bar or out of your own to-go cooler, they might not facilitate getting onto retail shelves at an accessible pricepoint.

As covered in detail in our previous Part 1, dropping production costs is another important area of focus in which we've helped our partner breweries. While truly understanding and dropping production costs across the board is important for many of our partner breweries, it's even more crucial in the lower margin distribution channels as you fight to both make your distribution footprint sustainable and profit-generating, while also getting on shelves at a competitive price to keep growing your brand and attracting new drinkers.

# consistency & quality

With core beers, consistency between batches becomes even more important - and also something that can be much harder to accomplish when brewing and blending multiple, smaller batches on a smaller system to meet demand. Variance in taste profile, SRM, ABV, longevity, and shelf life can end up creating issues in consistency - which translates to consumer issues in experiencing the beer and brand as intended.

Scaling up to a larger system will help eliminate the potential for intra-batch inconsistencies (differences between brew days, using multiple, smaller FVs to fit the correct batch size, different packaging runs, etc.), and the investment that we've made in our lab and QA/QC program helps address the potential for inconsistencies from batch to batch. Full lab workups and quality reports are a key part of the process for all the partner beers that we produce, to ensure the quality of each and every beer, and also the consistency of beers that we produce multiple times.

Our team will also work with you on scaling up your recipe to ensure that it's optimized for quality and efficiency. We believe strongly that moving to a bigger system requires more work than just multiplication - and that's work that we do with all of our partners as they come on board to ensure we're working together to produce great, consistent, on-brand beer.

# capacity for taproom exclusives

Core brands occupying too much of your tank and production schedule also limits what breweries are able to do for taproom exclusives, one-off special releases, and passion/creative projects - all key ways to drive own-premise business. Ultimately, the more drinkers that you're able to bring to your taproom and serve over your own bar, the more you'll be able to capture in margin - and one key way to attract both your existing and new fans to your taproom is through taproom exclusive and limited release beers. Freeing up production capacity to create more of these exclusive and limited-run beers - and therefore more occasions and reasons for customers to come to your taproom - can help your business drive more traffic and revenue to higher margin channels and points of sale.

Even beyond the aid to the business, margin, and bottom line, this also allows you and your brew team to flex the creative muscles and pursue passion projects to show drinkers even more of who and what you and your brewery are truly about.

#### ABOUT DORCHESTER BREWING

Dorchester Brewing was founded in 2016 as a dedicated partner brewing facility in the heart of Boston. With our size, team, and expertise, we were uniquely positioned to serve small, medium, and growing craft breweries - and while we work closely with other contract facilities like Isle Brewer's Guild, we are set up to be smaller and more nimble, serving breweries with needs for 30-120bbls per SKU. We felt strongly about serving this niche in the market not just because there was the need and demand for it, but also because we believe in making high quality, local craft beer more accessible, and in supporting the growth of craft breweries.

Over the years, we have worked with local, regional, national, and international brands, including being the main producer of Fat Orange Cat, Abomination, Evil Twin, Decadent, and other 12 Percent Beer Project brands before they opened up their own facility. Our facility is set up to brew your beer, hard seltzer, and hard cider for package or draft in 30-120bbl batches.

To learn more or get started, reach out to us directly at info@dorchesterbrewing.com

### **EXPERIENCED TEAM**



#### MATT MALLOY Co-Founder & CEO

Matt Malloy is a marketing, operations, and sales executive with 26+ years of experience. Past roles include VP of Marketing and Operations at Zipcar (8 years growing the Zipcar brand) and VP of Marketing and Communications at edx.org, a Harvard and MIT startup.

#### JAMES HAUGH Director of Operations

James Haugh joined Dorchester as Director of Operations after 6 years in the military and a Fermentation Science degree from Appalachian State University. He has had the opportunity to work in almost every alcohol space as a maker over the past decade, most recently at Downeast Cider, where he was the Head Cider Maker.



#### JIM O'NEIL Partner Relations Manager

Jim has been with Dorchester since the brewery opened, and is the point person for communicating with all external partners. He makes sure that all our partners are set up for success and have what they need leading up to, on, and after brew day.

#### ANDY JOHNSON Head Brewer

Andy has spent years working at different breweries in Connecticut and Massachusetts, most recently as a brewer at Two Roads. Given his time at Two Roads and at Dorchester, as well as his education at the Siebel Institute, he's uniquely experienced working with partners to scale up recipes and ensure consistent, high quality execution.





#### CHRIS GEANY Lab & QA/QC Manager

Moving from quality control at Downeast Cider, Chris joined the Dorchester team to help create high-quality, consistent beer from batch to batch. Most importantly, he ensures your beer tastes the best it possibly can, and remains true and consistent to your brand.