Upward and Onward: Post-Pandemic Planning for Breweries

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COVID

A 4 LETTER WORD?

• 2020 saw craft beer’s 1st production decline in modern era (-9%)
• Beer industry lost ~650,000 jobs due to COVID
IS IT OVER?

UMMM, NO

- 1st Half 2021 volume ‘half way back to normal’
- Lots of re-openings of pubs, taphouses
- Diversified revenue streams
  - Retail
  - Seltzers, etc
- Almost 9,000 Breweries in operation

BUT

- Average spend is down
- Openings are slowing
- Delta variant is changing the game again
COLLATERAL DAMAGE

- Labor Challenges
- Supply Chain shortages
- Inflation
CAN SHORTAGES

(THE GREAT CANDEMIC)

• 2020 saw the shortage go from bad to worse
• New plants in GA, PA, TX in 2021 helped
• Overseas supplies (2 Billion cans!) eased the pain but caused other problems:
  • Funky liners
  • Mismatched lids
  • Sub-par pallets and tier sheets
• RTD growth expected to make it worse in 2022
GET CREATIVE!

- Manage your SKUs
- Re-purpose stock printed cans
- Use small batch can decorators
- Try new can sizes
- Stock up! (but don’t hoard, PLEASE)
- Get your own labeler – JIT labeling!
- Do what you can to prevent waste!
SCARCITY = RISING COSTS

- Packaging costs are increasing across the board
- Raising your prices is only one solution:
  - Work with your suppliers
  - Use fewer packaging materials
LABOR CHALLENGES

- Competing with other industries
- It’s not just about wages
- Worried about their physical and mental health
- Concerned about sexism and diversity
AUTOMATE!

- Replace your ‘dunker’ with a twist rinse
- Add a depal to your twist rinse
- Add a labeler
- Add accumulation
- Think about pack-off

- Packaging improvements are also labor savers
  - Depals replace a crappy manual job
AUTOMATE!

- A $60,000 packaging machine would pay for itself in about 3 months running just 10 hours per week!
AUTOMATE!

- Revisit your layout
- Plenty of room to work and maintain?
- Keep it clean
- Carry spare ‘wear’ parts
- Regular maintenance / tuning
FUTURE PROOF YOUR BUSINESS

• Hire good people and invest in them
• Think about your entire Supply Chain
• Eliminate waste
• Automate your packaging line
BETTER DAYS ARE COMING
THANK YOU