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BEER SALES BEST PRACTICES



CURATED FROM CONVERSATIONS WITH INDUSTRY LEADERS



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About this ebook:

Everyone has questions, but it's not very often you get to ask the experts the hard questions. That's why we created this ebook and hosted the Beer Sales Best Practices Panel at the 2019 Craft Brewers Conference. The panelists, consisting of sales leaders from CANarchy, Allagash, Left Hand, and Two Roads, gave straight answers to the hard questions. Our goal was to take their best practices and share them with the rest of the beverage alcohol community. This ebook is full of hidden gems and actionable takeaways that may reshape how you manage your sales teams, adapt in an ever-changing market, assess the future of craft, and everything in between. We'll deliver the same value to readers that the in-person CBC attendees said we delivered to them — answers to the hard questions, for the betterment of alcohol sales teams everywhere.

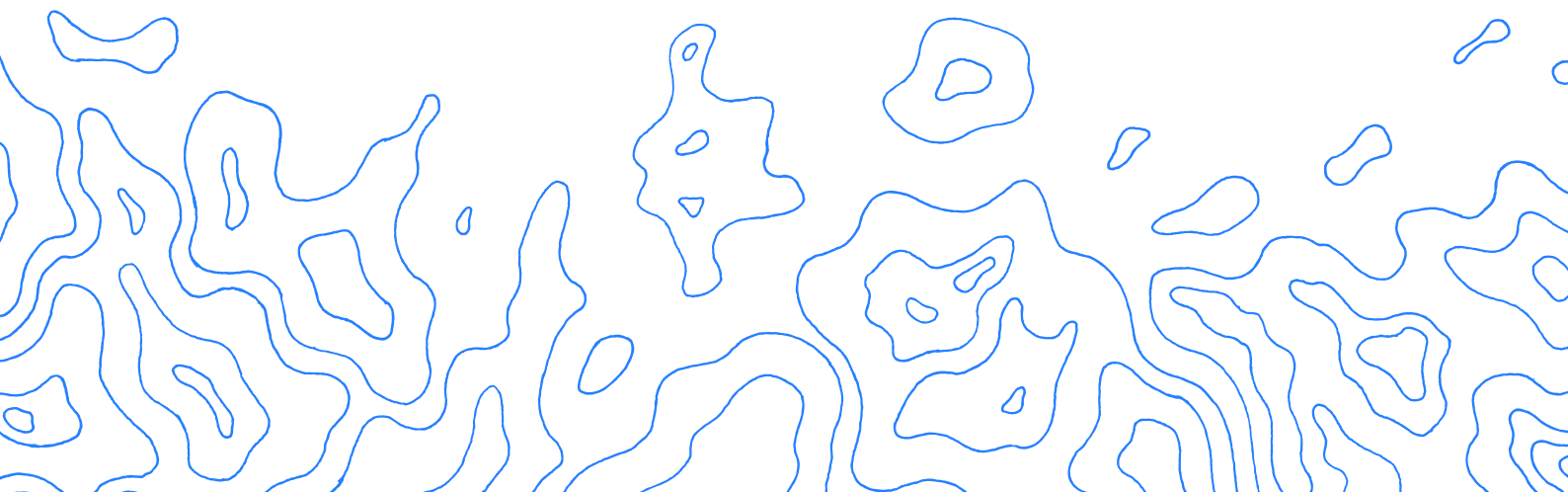




Acknowledgments

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We also want to thank all of the companies who have chosen to partner with Lilypad over the years. You all are the reason we have the knowledge to curate an ebook like this, a platform to publish it, and a roof over our heads. We hope that this ebook proves to be a powerful tool for you and your teams.





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Table of Contents

ABOUT THIS EBOOK	2
1. MANAGING DISPERSED TEAMS	6
2. GOALS AND TARGETS	14
3. NEW MARKETS & REP EXPECTATIONS	22
4. DISTRIBUTOR PARTNERS	29
5. NEW PRODUCT LAUNCHES	37
6. DEPLETION DATA	44
7. DATA-DRIVEN STRATEGY	52
8. CHAIN SALES	58
9. INCENTIVES	64
10. THE FUTURE OF CRAFT	72

1

MANAGING DISPERSED TEAMS

1. MANAGING DISPERSED TEAMS

Why Connection And Culture Are The Key To Sales

It's no secret that developing and tracking reps in the beer industry can be difficult. Directing and scaling a team into an effective sales force that is in line with your vision can feel borderline impossible, especially when sales reps turn over more often than most of us see our dentist. The unfortunate fact is, the

love of working in the alcohol industry doesn't always translate to success in a market with 7,000 suppliers competing for the same dollars.

So what can you do to make the impossible possible? What tools or techniques can help you scale and successfully manage a dispersed team?

We wanted answers too. So at our CBC Panel last year we asked some of the best in the business to tell us how they keep their dispersed sales teams moving forward. Jason Ingram, National Sales Director, from Left Hand Brewing and Meghan Zachry, Director of Sales, from Two Roads Brewing rose to the challenge. Between their two brands, they have nationwide distribution and over 60 reps.



The advice from both these seasoned sales managers can be summed up into one simple phrase:

“Make sure they’re not on an island.”

Meghan Zachry, Director of Sales
Two Roads Brewing



The “they” being referenced here? Your reps! Jason and Meghan emphasized that all too often the disconnected and lonely nature of being a sales rep is what is overlooked by companies and managers when considering how to effectively manage a dispersed team. Reps are expected to be stewards of the brand, but often spend the vast majority of their time out in the market with little access to the wisdom of others or the culture of the organization.

Being aware of this disconnect is a key part of the growth process and why Left Hand has established their own way of ramping up new reps. One of the things they’ve tried to do to combat this disconnect is ensure their employee onboarding process has SOPs (Standard Operating Procedures). All the reps that join the brewery are trained in what are called the “Four Disciplines,” which consist of technology, brewery information, field work, and time management. As a result of this training, a certain standard is naturally established so that everyone is “graduating” with a

Managing Dispersed Teams

great baseline of knowledge.

Left Hand needed a way to deliver these SOPs to their reps, which is where Lilypad comes in. Lilypad offers a feature known as the Resource Center, which enables managers to upload and store documents in one location so reps can easily access them from their phone. By taking advantage of this feature, Left Hand's Four Disciplines can be utilized as a reference tool for their reps in the market any time they need it. With that said, having SOPs and utilizing the "Resource Center"

only tackles one of the obstacles surrounding disconnect and growth. Once you get past on-boarding your new rep, Jason believes that the biggest obstacle to growth is maintaining culture. The true difficulty he describes is finding ways to grow without ultimately sacrificing the culture that made your company great.

Before we dive into Jason's statement, let's first define the word "culture," a bit more. In his article for the Harvard Business Review, Tim Schwartz (President and CEO of The

“Sometimes the reps get caught only communicating with the manager, the next person above them, or maybe someone in logistics, and that's it. You start to lose what it's like to work for that company you've invested in.”

Jason Ingram, National Sales Director
Left Hand Brewing



Energy Project; author of *The Way We're Working Isn't Working*) defines culture as “simply the collection of beliefs upon which people build their behavior.” This sounds easy enough; however, Tim goes on to draw a distinction between cultures based on performance and cultures based on growth. The research shows that cultures based on growth make for more sustainable organizations, and in order for sustainable cultural growth to occur “a sense of community that makes people feel safe needs to be created through virtues such as accountability, transparency, and support.”

The mistake companies too often make is focusing solely on the “easy” part of what makes a culture, a

baseline knowledge of the business, while ignoring the deeper issues of community and shared beliefs that ultimately drive behavior. Tim’s summarized conclusion is that the collection of beliefs that make up your company’s culture must be built with not only shared knowledge, but also with a connection to how people feel and behave, and a sense of community that people feel safe to contribute to and be a part of.

So as previously mentioned, Jason believes maintaining culture is one of the biggest obstacles to growth. If you are a brewery, distillery, or winery interested in growth, then you must evaluate and be aware of the importance of your organization’s culture. You must take

the time to ensure that your culture is built on a focused combination of all the research factors: knowledge and expertise, connection to how people feel and behave, and a sense of community. By ingraining all these factors within the framework of your organization you create space for cultural growth, which in turn drives the behavior that supports business growth. Ultimately, you should view culture as the proverbial “why” that motivates your reps in the market to be a contributing part of your overall success.

In our panel discussion, Jason and Meghan shared that it was this evaluation and awareness of culture within their organizations that led them to partner with Lilypad. They

both recognized the challenge that managing a dispersed team posed to maintaining culture. As a result of Lilypad’s Social Wall feature, Jason and Meghan have the ability to foster team culture at their fingertips. If the Lilypad Resource Center is how you enable baseline knowledge, the Social Wall is how you build community and connection. This feature, which is the homepage of Lilypad CRM, creates a shared space for dispersed teams to connect and collaborate freely. On any given day on the Left Hand or Two Roads’ Social Walls you’ll find pictures from team members across the country, celebrations of market success, some friendly smack-talk, and even homemade memes. This social space

“So, the social aspect of Lilypad has been a huge thing for bringing the teams together. How do you make an out-of-state person — or even in-state, because they’re still out there by themselves — how do you make them feel like they are truly a part of it? That’s been a huge challenge and a lot of what we’ve been able to accomplish with Lilypad has helped that tremendously.”

Jason Ingram, National Sales Director
Left Hand Brewing

Managing Dispersed Teams

fosters a sense of community that reps feel safe to contribute to and be a part of, which, as we've learned, enables meaningful cultural growth.

Meghan highlighted this point too and added that understanding the disconnect and maintaining your culture goes beyond Lilypad features. The features are only as good as the managers that choose to go the extra mile to use them. More importantly, the reps are only as good as the managers that make that extra effort to build them up. She emphasized that building up your reps requires active and consistent engagement. Some ways she does that with her reps are hitting the road with them, implementing weekly sales calls to provide them the opportunities to share their stories with one another, and organizing quarterly sales meetings at the brewery to make everyone feel connected and part of the story you're trying to tell.

Yes, if you asked Jason and Meghan, they'd tell you that it's never going to be easy to manage your

“

I think getting on the road with your sales team is really important. Learn how they sell and how they are contributing to your growth. Give them feedback and make sure they feel connected.

”

Meghan Zachry, Director of Sales
Two Roads Brewing

team and finding ways to grow in the increasingly competitive market remains an ongoing struggle. But they'd also tell you that you CAN make the impossible possible. You can

value your reps, choose to take the time to understand their struggles, and create plans to actively engage with them in meaningful ways that reinforce why they got started in this industry. Use tactics and tools that connect them back to your story and make that story feel like their own. That way, the culture and passion of your organization is with them in the market and felt by your customers every single day.



Actionable Takeaways:

- Create SOPs (Standard Operating Procedures) to train reps so there is a consistent baseline of knowledge established from the start.
- Make supporting your sales team the highest priority.
- Go the extra mile to actively engage by getting on the road with your reps.
- Take time to learn your reps' sales strengths and weaknesses in order to provide better feedback on how to grow.
- Implement weekly sales calls to provide reps an opportunity to share their stories with one another.
- Make sure your reps know your history, your story, and feel a part of your culture.
- Connect, connect, connect. At the end of the day, if your reps are feeling like they're on an island, you're probably doing something wrong.



2

GOALS & TARGETS

2. GOALS & TARGETS

Using Goals As The Building Blocks of Success

Every year in January, millions of people across the globe set goals in the form of resolutions. From “I’m going to watch my diet and work out more,” to “I’m going to travel more,” and everything in between. We set them up and hope they stick. They become the mile markers that serve as continued motivation. They remind us of the finish line, even when it’s nowhere in sight or turns out to be a moving target. Everyone, even if only on a basic level, understands the motivational premise and benefit of setting and working towards goals.

However, we questioned if goals in business could be more than just motivational mile markers towards a seemingly arbitrary finish line. We wanted to know if, as a sales manager,

goals could be leveraged to build upon the crucial criteria of accountability, transparency, and support we discussed in our first chapter about sustainable cultural and organizational growth.

The overwhelming answer we got was, yes, they can! Our panelists had some great insights on how to view and use goals as



more than just a generic motivational tactic. In fact, proper implementation and review of goals have the potential to positively impact everything from rep engagement, closing percentage, market influence, and even product quality.

Each of your reps are different, and the same is true of your markets. So with so many variables to consider, it can feel like an overwhelming challenge to successfully create and implement goals for your team. The reality is, there's simply no "one size fits all" when it comes to the goals process, and you have to walk a

fine line between driving sales and discouraging your team. Setting unattainable goals with no checks and balances can leave reps feeling like they are "on an island," and as we discussed in the previous chapter, that isolated feeling is the enemy of distributed teams. Unchecked reps with unrealistic goals tend to throw quality and consistency to the wind. That is why it is so important to have strong guidelines and still recognize the differing, individualistic needs of your reps and your markets.

Chris Russell, Vice President of Sales for CANarchy, emphasized



Goals & Targets

this point well during our discussion panel. Chris shared how, with eight regions to manage, CANarchy understands the need to allow their Regional Directors flexibility when setting goals and expectations as it pertains to their regions. This understanding doesn't deter from creating a basic framework that their goals can easily tie back to, though. As an organization, the higher-level understanding of what's needed to achieve your business objectives can be used to create that framework, while still allowing team members the freedom to own the creation and execution of their individual goals.

Meghan Zachry, the Director of Sales for Two Roads Brewing, expanded on this point further. Meghan described that they basically have three monthly goals for their sales teams at Two Roads. The first is an “on-premise distribution” goal. The second is an “off-premise distribution” goal. While the third is always a “custom” goal that's specifically made for each of the sales managers.

In both of these examples, you can see a consistent structure that blends the individual rep and market needs to create goals that are not just achievable for the individual, but

“There are obviously guidelines, and we need to have consistency across the board, and things like account visits, price surveys, and distributor work-with's are extremely important, so we always make sure goals tie back to those.”

Chris Russell, Vice President of Sales
CANarchy

“We create a custom goal for each of our sales managers that allows them to have the most impact on their market. It might be getting the seasonal out before the next one comes in, it might be displays, but really it is catering to what that market needs, because every market isn’t the same.”

Meghan Zachry, Director of Sales
Two Roads Brewing

also beneficial for the business. By creating these goals, the reps have a clear understanding of what you’re looking for. You’re setting up a state of transparency by creating observable expectations.

Naomi Neville, Sales Director from Allagash Brewing, takes goals beyond account visits or closing percentages. By setting goals around QC (quality control) inspections, they create a brand standard and an expectation that their reps don’t just sell the product, they intimately know it.

Naomi states that these visits play a tremendous role in ensuring that the beer customers are drinking out in California is the same great tasting Allagash beer that was brewed in Maine. To do this, they set a QC goal

for their reps to hit five Allagash White draft beer account visits a month, collect the QC data from those visits through Lilypad, and assess that data back at Allagash HQ.

But, like a well thought out New Year’s resolution, goals will fall flat without effective communication and tracking — enter Lilypad.

Through the Lilypad app you can create meaningful goals for your sales team by setting activity expectations and measure their success without being Big Brother. Then, because the reps have the ability to review their goal progress in real-time, they can gain a clear understanding of what’s expected of them. With this kind of transparency, reps take ownership of their goals and overall business success becomes a concerted team

Goals & Targets

“A really big part of what we also goal our sales team on is doing QC in the trade inspections.”

Naomi Neville, Sales Director
Allagash Brewing Company

effort. Plus, the more reps you have using a tool like Lilypad, the easier it is for you to pull detailed reports that drill down into individual successes. Like Jason Ingram, the National Sales Director of Left Hand Brewing said during our panel, you can track the things your reps can control and coach them accordingly.

As a manager, success is about continuing to find ways to create a space where accountability, transparency, and support are present. As expressed by our panelists, goals can be a powerful tool to help mold that space. You can't just assume that your reps know what you're looking for or that they all work at the same pace, and you

can't curate the safe environment that we discussed as necessary for cultural growth without first building a framework for meaningful and intentional goal setting. If you learn to see goals as your building blocks, then you'll be able to better leverage your team's hard work into market domination.




“

We're able to identify
[success] with Lilypad,
and we were never able
to do that prior.

”

Jason Ingram, National Sales Director
Left Hand Brewing

Actionable Takeaways:

- Create consistent goals based on what your reps can control (i.e. account visits & closing percentages).
- Consider implementing Quality Control goals to help increase your reps' understanding of the product, visibility into quality across multiple markets, and ensure the best experience possible for consumers.
- Review your goals with your team often so they become more than just motivational tactics. They will become teachable moments and learning opportunities for both you and your reps.
- Implement tools that make goal setting, tracking, and reporting easier for both you and your reps. That transparency will drive behavior and align the team.
- Learn to view goals as the valuable building blocks for creating the space upon which to build your business.





3

NEW MARKETS & REP EXPECTATIONS

3. NEW MARKETS & REP EXPECTATIONS

Tackling New Markets With Limited Resources

According to the Brewer's Association, in 2010, there were 1,754 craft breweries in the U.S. That's about one brewery for every 177,000 people. As of June 2019, the number of craft breweries had skyrocketed to 7,480 – that's a 326% increase in less than ten years. Today, millions of people all across the U.S. enjoy their favorite brews, with one brewery for every 44,000 people. Craft beer is more available and the competition on shelves is tighter than ever.

So how do the most successful breweries keep up? What strategies do they use to move the needle in new markets and grow their brand adoption? We asked our panelists this question and found out that there is a contrast between the ideal approach and the reality of

today's market.

So what is the ideal approach out in market? Use passionate reps to tell your story.

“I do think it's a disservice to not send somebody into the market. You can't just set your beer out there, have a big launch week, and hope it sells.”

Meghan Zachry, Director of Sales
Two Roads Brewing

Meghan Zachry, Director of Sales for Two Roads Brewing kicked off our discussion best by addressing the seemingly obvious, but often overlooked tactic. If you want to tackle a new market, rep placement is essential, and it brings a type of

tangibility to your brewery and story. Great beer is only half the equation to succeed in a new market, and the value of a rep goes far deeper than a person capable of selling your beer. The entire panel agreed that reps in the market serve as ambassadors of your brand and can be the front lines of relationship building with your accounts and distributors.

As we discussed in part one, connecting your reps back to your story and making that story feel like their own is pivotal to employee satisfaction. Further, supporting your culture with the appropriate training tools and technology, like Lilypad's Resource Center, can bridge the gap between understanding culture and implementing it. As Meghan mentioned and the numbers above support, there's a lot of great beer in the market today, but placing reps with a clear grasp of your mission and goals gives your brand an opportunity to align with distributors, retailers, and consumers.

Chris Russell, Vice President of Sales for CANarchy, one of the nation's fastest-growing craft brands, expanded on this point, stating that

it's not just about sharing the story, it's about having a passion for your brand.

“

Nobody can tell the story better than the person that's coming from the brewery and nobody's going to be more passionate about it.

”

Chris Russell, VP of Sales
CANarchy

At the end of the day, sales PowerPoints or product fliers are great, but they only go so far to telling the story of your product. Passion drives the rest. But of course, as Chris went on to address, you can't just put fired-up reps out in the field and expect them to be successful automatically. Combining your company's culture with clearly defined goals is the recipe for success. Yes, position your reps in

New Markets & Rep Expectations

the market and give them attainable, impactful goals using Lilypad, but as we discussed in the second chapter of this ebook, don't just set them and forget them. Tell them exactly what you expect of them and track your reps' strengths so you can place them where they'll do best.

That all sounds well and good, but then comes the reality check. Part of operating in the more competitive beer landscape we mentioned earlier is that breweries are running

on tighter margins than ever before. It is unrealistic to expect breweries today to be able to throw reps at every market they distribute in. In Jason's eyes, the only path forward is to get more out of fewer reps and to put a priority on aligning with your distributors and retailers who will support the brand when you're not around.

We know, we know – rely on distributors?! All too often distributors can feel like the antagonist in your

“ I will acknowledge that our philosophy is we'd love to have a rep in every market we go into but resource wise we're not able to do that. I imagine a lot of people in this room are probably in the same boat.”

Jason Ingram, National Sales Director
Left Hand Brewing

“Then it becomes, how are you able to best serve that market and bring value to your wholesaler without having someone there? Is it making quarterly visits or monthly visits, and so forth?”

Jason Ingram, National Sales Director
Left Hand Brewing

story of market victory, but Jason states that this narrative should change. It's time to start looking at distributors as partners, like Samwise Gamgee to our collective Frodo. Just hear us out. Frodo wouldn't have made it all the way to Mordor without Sam's help. Sure, they fought sometimes, and Frodo thought he could do better without Sam, but in the end, he needed Sam's loyalty and understanding to deliver the ring. The same is true of your relationship with your distributors. You need their loyalty and understanding, or else your product won't get delivered to the retailer and consequently, the consumers.

As a rep who is responsible for covering multiple markets, distributor management and national account management is the difference

maker. In order to build the kind of partnerships that help you support multiple markets, you need to be thinking outside of yourself.

Your relationship with distributors should be symbiotic, with goals that benefit both parties. Like Jason said, you need to understand the goals of your partners, see how your internal goals align, then set expectations with your reps accordingly. What are you doing to communicate effectively? Have you figured out a cadence of in-person and digital communication that works for them? Through LilyPad, you can unify your efforts and facilitate cross-tier communication that benefits both your team and your distributor. Using the Distributor Recap tool, your team can outline activities, events, placements, and

New Market Reps & Expectations

even things like out-of-code products then pass them to your distributor rep in a digestible, useful way. When you focus on things that make your distributor successful, they will become a comfortable extension of your brand when rep coverage is short. Plus, they can be invaluable in forming chain-relationships on the retailer level.

We'll dig much deeper into the idea of both distributor partners and chain sales later in this ebook. For now, you know the secret to

expanding into a new market – put a passionate rep in the field whenever possible. Make sure they know your company's culture and arm them with tools that help them hit meaningful goals. When you can't have a full time rep in the market, double down on bringing value to your distributor and leverage those relationships to drive more sales.



“There’s a lot of great beer out there, there’s a lot of great breweries who have people in the market, and you have to keep share of mind with your distributors, with your accounts, and with your consumers.”

Meghan Zachry, Director of Sales
Two Roads Brewing



Actionable Takeaways:

- Place reps in the field who are well versed in your company’s culture – they will champion your brand to the distributor, retailer, and consumer.
- Make the most out of reps in the field by setting measurable goals and tracking rep wins through Lilypad.
- Truly take the time to understand your distributors’ goals so you can bring value to them when you’re relying on them in new markets.
- Coach your reps to identify the cadence of communication that works best for their distributors and retailers, then cater to it in order to maintain share of mind.
- Once you’ve identified the ideal ways to work with your partners, use tools like Distributor Recaps to communicate more efficiently.



4

DISTRIBUTOR PARTNERS

4. DISTRIBUTOR PARTNERS

How To Be A Better Partner To Your Distributors

In chapter three we touched on the idea of building meaningful relationships with distributors and how a firm partnership can help you advance your reach in a market. Besides the obvious statement that your distributors literally take your product to your retailers, they also serve as a great extension of your culture and have the ability to endorse your brand to retail accounts. Recall our comparison to Sam and Frodo from Lord of the Rings – you can't possibly make it to Mordor without your distributors' help.

During our panel, we dug deeper into the idea of a symbiotic relationship. We asked the industry's top brands about the most impactful things they do to develop these relationships and keep a share of mind with

their distributors. Meghan Zachry, Director of Sales for Two Roads Brewing, kicked the conversation off by pointing out that distributors should be your first customers and your first line of defense. Building a relationship means working for and with your distributors. Meghan suggests that simply being physically



available for your distributor is a great first step – go to general sales meetings, go on ride-withs, and schedule calls. When your field sales team is with your distributor reps, talk to the reps about things that will build both of your businesses. Ask them what kind of tools would help them be a better salesperson, talk about what they'd like to see from their supplier. Dig into things you could do that would make their job easier or more efficient.

By pushing past small talk and engaging in an open-ended conversation, you can prove to your distributor that you're not just interested in promoting your brand, you're interested in helping them be more effective. Symbiosis means that both parties benefit from the relationship, so find out how to support your distributors' success

and they will serve as ambassadors of your brand with retailers. Even better – you just might be top of mind during important decisions with those retailers. Meghan states that her regional manager team conducts monthly, 30-minute calls with their craft brand managers so they can learn about new incentives or programs. Not only does the actual meeting facilitate communication, but it forces the distributor to think about your brand before, during, and after the meeting.

Jason Ingram, National Sales Director with Left Hand Brewing, expanded on the idea of working with your distributors by suggesting you create actual blueprints. Collect information during your meetings or ride-withs, as Meghan suggested, then organize the details into a plan that helps you communicate

“Distributors are some of your most important customers, really your first customers and your first line of defense...They continue to push your brand because they feel like you're listening to them.”

Meghan Zachry, Director of Sales
Two Roads Brewing

Distributor Partners

more effectively and track follow up items. But conducting meetings isn't enough – you need to optimize the time you have with the distributor. Each rep can manage upwards of 50 brands, so use your blueprint to stay organized and on track during meetings. Be punctual, stay focused, and know exactly what you want to get out of the meeting. Have questions about products or placements? Write them down! Outline your meeting agenda and keep track of time in your meetings – you both have important business to get back to. Not only does staying organized help you work

through the collective details, but it shows your distributors that you take their time seriously and helps you stand out in a crowded brand portfolio.

“We try to task our team with asking their specific distributors, ‘What is the best blueprint to work with you?’... You'd be surprised how far that can go if you're sincere in asking and you try to stick with it.”

Jason Ingram, National Sales Director
Left Hand Brewing



“You need to be very efficient and you need to know exactly what you’re asking for. Obviously, you need to hold them accountable to that, but it’s very easy to get lost in the mix if you don’t have your shit together.”

Chris Russell, Vice President of Sales
CANarchy

Once you’ve organized your meeting agenda or blueprint, you need to use your time effectively. Naomi Neville, Allagash Sales Director, points out that the best use of general sales meetings is to get right to business teaching your distributor how to sell your beer. Break down your strategy and communicate your most valuable selling points so they know how to handle your product in the market.

This ties into the idea of a symbiotic relationship and gives you the perfect opportunity to leverage the distributor’s coverage into a more significant market share for you.

Another point addressed by Chris Russell, CANarchy VP of Sales, and agreed on by the rest of the panel, is the idea of holding your distributors accountable for what

you discuss during your meetings. The point of teamwork is that both parties benefit, so you need to stay on top of the agreements you make. One of the best ways to do that is through Lilypad. We talked a lot in chapter two about goal setting, and how Lilypad can help your reps set goals that improve your brand’s market reach. Through the Placement Tracker feature in Lilypad, supplier reps have more visibility into commitments, or the “yes,” from the retailer. By using this tool, reps can streamline the communication of important details between retailer and distributor, like the date a commitment was entered, the number of days it’s been open, or the fulfillment status. By using Lilypad to set goals, your reps can track a commitment all the way to the placement of the


“

You've got to tell them the profitability story, you've got to do the math in front of them, you've got to show them that if you're not there selling the beer, this is how they should sell the beer and why it's a benefit to the customer.

”

Naomi Neville, Sales Director
Allagash Brewing Company

Distributor Partners

product on the retailer's shelf. If there are incentives tied to these goals, the reps will certainly let you, and your distributors, know when a commitment isn't fulfilled.

Lilypad's Distributor Recap tool is another great way to encourage cross-tier communication and track activities and placements. Of course, when your distributor isn't doing what they need to do to keep your relationship beneficial for both of you, it's time to get serious – like Patrick Swayze in *Roadhouse*, as described by Jason. The good news is that using tracking tools, like Lilypad, give you a reliable and accurate way to hold your distributor accountable for what they need to do.

At the end of the day, when building distributor relationships, remember the golden rule: treat others how you want to be treated. In the context of the alcohol industry, this means that you need to be the rep with whom you want to work. Follow through on your commitments and do what you say you're going to do.

Above all, be friendly. You know that the distributor is juggling dozens of brands, and they're dealing with big business challenges like inventory control, communication issues, shrinking distribution, or consolidation of distributor houses. These things influence not only their ability to do their job but also, perhaps, their mood. Show them some grace, and no matter what, take your frustration out somewhere else. Sometimes you'll have to leave meetings with a smile, then cuss in your car, but at the end of the day, the leverage is on the distributor's side of the relationship. Jason definitely sums it up the best:

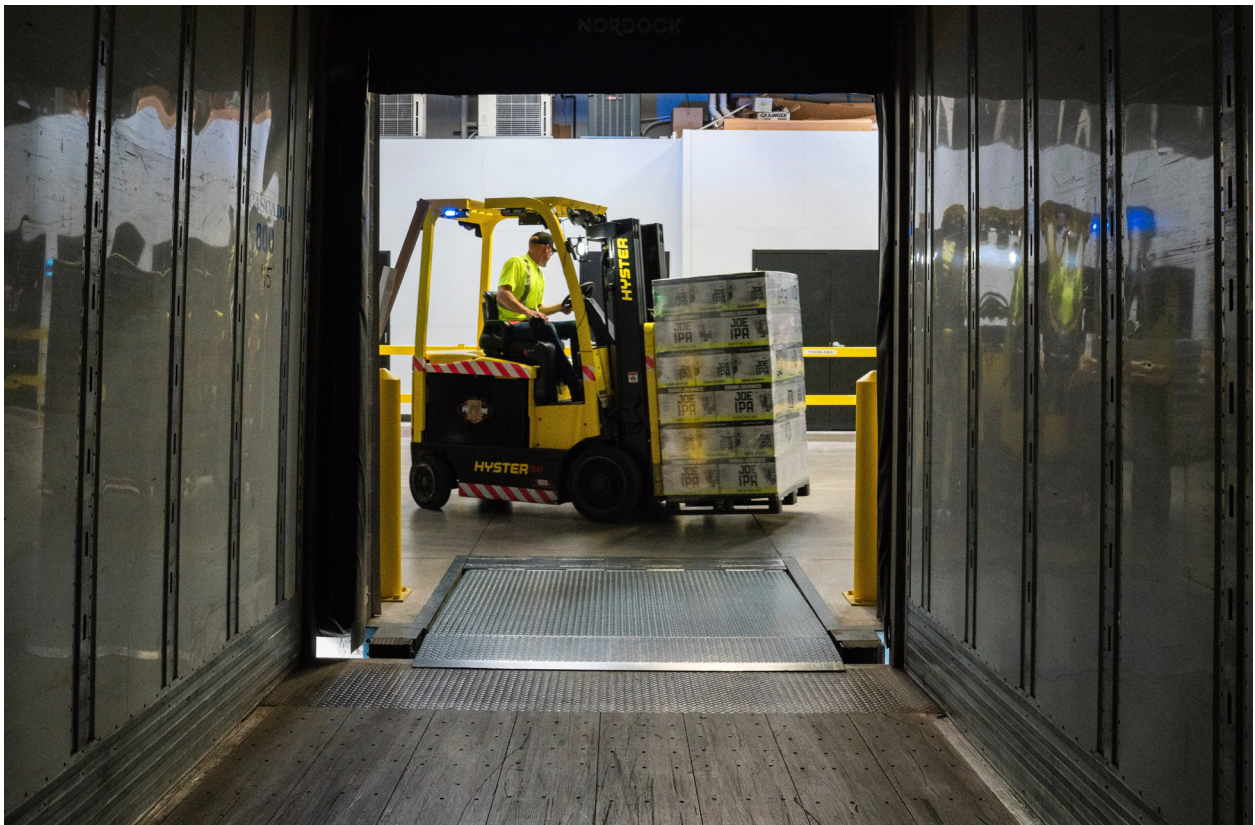
“Be nice until it's time to not be nice. Be nice to all of them. That's the best way. You get more flies with honey than vinegar.”

Jason Ingram, National Sales Director
Left Hand Brewing



Actionable Takeaways:

- Schedule regular meetings with your distributors that encourage open communication.
- Stay organized and make the most out of your time with your distributors.
- Set up a blueprint that guides conversation and helps you track agreements made during general sales meetings, ride-withs, etc.
- Understand that your distributors hold most of the leverage, so you need to bring value to their business too.
- Be the person others want to work with.
- Build relationships with the distributor reps, they'll show you love in return.
- Take advantage of the available technology to drive collaboration and hold both your team and your distributor accountable.





5

NEW PRODUCT LAUNCHES

5. NEW PRODUCT LAUNCHES

Balancing Innovation With Core Business Growth

Fifty years ago, purchase decisions were largely based on two things: tradition or access. Either people purchased products based on familial affinity or they bought things that were regionally available. Either way, advertisements were simple and new brands took months, even years to break onto the scene. After the birth of the internet, and

perhaps more importantly, social media, we in the 21st century have become privileged with immediate access to information and accustomed to a constant influx of new products. As a result, producers are forced to accommodate our goldfish-like attention span with new things that draw both on our desire for new as well as our reverence for tradition.



In the craft beer industry, the need to launch new products is inevitable. The trick is balancing releases of new products with the continued success of your core brands. The consumers, and your competition, will leave you behind if you fail to create new beers that excite drinkers and capture our short attention spans. Many of these products

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One of the biggest challenges is making sure that new innovation, new SKUs and all that, don't become just the shiny objects that take away from the core or the strong brands that are already there.

”

Chris Russell, VP of Sales
CANarchy

will never prove to be staples in your brewery, but releasing them is the first step in seeing what works. It's essential to keep that in mind when allocating production, marketing, and sales resources toward product launches and considering how these new products will support your core business.

In Chris' case, the CANarchy Collective is constantly innovating with entirely new products as well as new SKUs to repurpose existing brands. In any given grocery you might find Oskar Blues' Wild Basin Seltzer next to a CANarchy IPA mixed pack. Because the collective is comprised of so many breweries with very strong core brands, CANarchy has needed to find opportunities to piggyback off the success of their strongest performing brands by pairing them in the package, or in the store, with brands they want to grow. Every brewery, even the little guys, have an opportunity to take a similar approach in the market.

During our panel, Allagash Brewing's Sales Director, Naomi Neville, gave her own example by discussing the launch of Allagash White in cans. The massive movement to cans, which continues to be a growth area for the beer industry, is a textbook example of how suppliers like Allagash can look at consumer trends and produce products that support those behaviors. While our tendencies to jump from product

New Product Launches

to product are accelerating, there is still an opportunity for a core brand to gain loyalty if it adapts to support a particular lifestyle or preference. When you're planning new product launches, look not only at entirely new liquid, but for ways to bring your core brand into different venues to generate loyalty with your existing audience or break through to an entirely new one.

From here, the resounding consensus is that once you figure out what is being created, you need to solidify your game plan for production and distribution. All

of our panelists emphasized that one of their biggest struggles with new product launches is inventory management.

To Jason's point, a huge part

“One of the things that I think is a huge challenge, and I'm not sure I have the right answer to this by any means, is inventory control. We have so many sets of eyes trying to get that initial forecast correct.”

Jason Ingram, National Sales Director
Left Hand Brewing



of ensuring you're not wasting production resources or creating headaches for your partners during a launch is getting your best possible estimate of the load in and rate of sale, upfront. We'll go into more details on using data in chain sales and product launches in later chapters, but for now, our panelists' brief advice is to take advantage of the technology available to you to look at similar stores, products, and SKUs when forecasting for initial launch. But the initial launch is only a portion of the process. As we discussed in chapter four, your distributors are a great ally for market domination. In the instance of new product launches, keeping share of mind with your distributor helps you key into ongoing inventory details so you can better manage

production. When you work closely with your distributors, you can ask the valuable questions like "What's in the warehouse currently?" or "What is going on the next truck and when does it go out for delivery?"

In Allagash's example, Naomi explains that they put a huge emphasis on freshness. For Allagash White cans, distribution started only in the states they could ship to in one day. Maintaining that commitment to freshness takes serious alignment with your distributor.

The finishing touch to any new product launch is implementing a sales strategy that supports success. Think about where a product can take your brand or how it can open new opportunities, then set your sales team out with targets that yield

“We’re making sure that the beer is where it needs to be, but nobody has too much beer. We want to try and bring freshness through necessity.”

Naomi Neville, Sales Director
Allagash Brewing Company

New Product Launches

“A major part of [the sales team’s] job right now is inventory management and on a daily basis talking to their wholesalers.”

Naomi Neville, Sales Director
Allagash Brewing Company

the biggest returns. Is your new SKU going to open up new venues for your sales team, like golf courses or rooftop bars? Is it something that will relate really well to a certain geography or region? Is it a seasonal that’s going to peak for seasonal events, like Oktoberfest? Your sales team should attack opportunities that make sense based on the personality of the specific product.

Prioritizing your sales efforts can seem like a daunting task, but all our panelists agree that using technology like Lilypad makes it not just possible, but practical. Through

Lilypad, your team can create target lists and goals that align with your new product strategy. You should send your reps after those targets, then as a management team you need to pair gap reporting with your sales execution tools to steer your efforts after launch and drive new product success home. By customizing your execution strategy with real, tangible data, you are giving yourself a fighting chance. From there, it’s all about ongoing reporting to deem your newest launch a success or a failure.

There are so many variables for success that new launches are bound to be a bit of trial and error, but you’re not the only one going through these challenges! The evolution of introducing new products is a never-ending process, but thankfully, so is the development of technology like Lilypad. The good news is that success can be found if you attack it the right way. When we looked

back at Allagash Brewing's can launch last February, we found that they sold more than 9,000 barrels of canned offerings in 2019 and pushed the brewery's volume across the 100,000-barrel threshold.



Actionable Takeaways:

- Balance new innovation with your existing portfolio. Use your core brands and new products in tandem to support adoption.
- Prioritize initial forecasting, then emphasize communication to keep share of mind with your distributors in order to monitor inventory that drives efficient production.
- Use data to focus your team's strategy where your product will be most successful using tools like Lilypad.
- Don't be afraid to evolve your execution strategy if the sales data is telling you a new story.
- Product launches and inventory management pose some of the toughest challenges in the industry. Take advantage of every resource you can to maximize your chance of success and embrace the trial and error process to help you improve your next launch.

6

DEPLETION DATA

6. DEPLETION DATA

A Brief History of Depletion Data and Why It Matters

At this point in the conversation with our panelists, we took the opportunity to ask them an open-ended question about depletion data. We wanted to get some feedback about the challenges they face today and if they had a wish list of new tools that would help them. If you haven't figured it out yet from the rest of our chapters, getting that kind of feedback is how Lilypad builds its product roadmap. It is and has always been about you.

With that in mind, in order to understand this portion of our discussion, we need to give you a brief history of depletion data in this industry, why Lilypad chose to get in the ring, and why you should care.

For decades, suppliers who chose to participate in the three-tier distribution model

were entirely reliant on their distributors sending accurate information about their sales in the trade. These reports were distributed infrequently via spreadsheets, PDF, mail, or a host of other methods. We can only imagine how frustrating it must have been for a brewery business owner in the late 20th century to



be handcuffed on this crucial part of their business. Some breweries still operate this way today!

As time and technology progressed, more distributors began sending their sales information to third parties for processing or coming up with homegrown solutions to manage it themselves. Eventually, the majority of distributors in the U.S. were funneling their sales data through a few common services. This slow evolution of the way invoice data was handled came at a cost for suppliers. Though suppliers began receiving consistent data more frequently, they were often charged for it or forced to adopt complex systems to access it. Today, most medium to large suppliers subscribe to some expensive depletion service

as part of their cost of doing business. Small suppliers have a tough choice to make if they want to invest in gathering this critical sales data.

In 2014, the early days of Lilypad, we began ingesting these third party “depletion” files and using them to make tools like our Placement Tracker which tells you exactly when your product made it to the retailer, or our Rep Efficiency Report which tells you how often an account visit actually becomes a sale. Okay, this concludes our history lesson.

So in the last two years, more and more suppliers expressed to us their frustrations in not being in control of their own sales data. Why do they have to go through a middleman? Why is it so expensive? Why can't it come faster? Why isn't it



Depletion Data

more actionable? Why is it inaccurate sometimes? Why is it so hard to understand?

We listened and decided the only way that we could make this process better for our customers is if we took it into our own hands. So over the last couple of years, we built partnerships with two of the biggest Route Accounting Software (RAS) companies to directly ingest sales data, Encompass and EoStar. We also set up an API connection with Quickbooks. And, of course, we can take depletion files from third parties. We now have a few hundred connections through our Lilypad

Data product.

Alright, so here's why you should care - every supplier who has a salesperson in the field needs to get commitments back to the self-distribution team or their distribution network. From there, the field reps need visibility into when the product made it to the retailer so they can provide additional support, follow up with their partners, or work to expand points of distribution in that account.

For sales managers, this data in aggregate contains some of the most valuable reporting you can obtain, which drives coaching and strategy decisions. That's why it is important

“It was not an easy decision to get in there and decide to go to 3,000 distributors and ask them to send us their data. It was a necessary evolution for us because of what our client base was telling us. We were being asked to go out and create another option.”

Eric Rabinovitz, Co-founder
Lilypad

that every distributing supplier has something in place to capture this data.

“

I don't think it's just the fact that you guys want us to go out and get the data, it's what are we going to do with the data?

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Eric Rabinovitz, Co-founder
Lilypad

This brings us back to the panelists and their best practices. Who manages this stuff, and maybe more importantly, what do they do with it? At the time of this panel, CANarchy had five full-time sales analysts, Left Hand had one, Allagash had one, and Two Roads had a sales operations manager. Generally, these people are responsible for managing technology, making sure sales data is coming in correctly, completing analysis and reporting, and working with their executives, sales teams,

and distributors to get them the information they need to do their jobs.

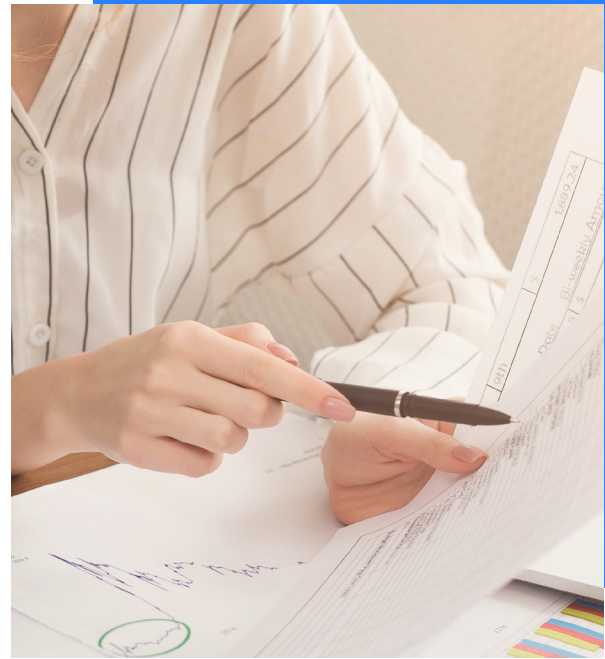
“But there were a lot of hands that didn't go up in this room when we asked who had an analyst staring at this stuff all day.”

Eric Rabinovitz, Co-founder
Lilypad

As Eric pointed out in the panel discussion, most of the breweries that attended the session, and most the breweries in America, aren't in a financial position to hire a full-time sales analyst. That means founders, brewmasters, and sales reps need to effectively juggle this with their other responsibilities. The only way to do that, and we might be biased, is by getting really good at using the technology that makes this easier. Lilypad uses your sales data to power your account history, placement tracking, leaderboards, distributor communications, annual business plans, and 10 easy-to-use reports.

In our separate one-on-one interviews with CANarchy, Left Hand, Allagash, and Two Roads, which

you can find on Lilypad's blog, our panelists go into specific details about what they did before they hired an analyst, what their analysts do now, and what they glean from depletion data. You'll find highlights from those interviews on the next two pages. In the next chapter of this ebook, you'll learn more about how these panelists use data to drive their sales strategy.



As for the panelists' wish lists mentioned in the first paragraph of this chapter:

Chris Russell: tools for inventory management

Not on the Lilypad roadmap yet

Jason Ingram: better chain management and reporting

See Chapter 8

Naomi Neville: order tracking from the brewery to the distributor's warehouse

Not on the Lilypad roadmap yet

Meghan Zachry: chain management tools as well as integrated IRI data

Stay tuned on Lilypad's social media for announcements in Q2 2020



Depletion Data

“People that know the industry know what it takes to get the best information, look at trends, and look forward instead of just in the rearview mirror. I feel like it’s absolutely necessary to have someone in a [sales analyst] role like mine.”

Jenny Connolly, Former Sales Analyst
CANarchy

“When I first started, I didn’t have services... where you could see inventories or depletions. Effectively you’d get a monthly depletion report. So the inability to track progress, see where your accounts existed, or see where you were in relation to the rest of the brand made everything very, very difficult.”

Jason Ingram, National Sales Director
Left Hand Brewing

“We were pretty small when we got [depletion tools] and it basically replaced having a data analyst for a while because I could just pull whatever report I needed myself, which avoided a lot of manual data crunching. So, absolutely, with any kind of software like that, I would say get it as soon as you can afford it.”

Naomi Neville, Sales Director
Allagash Brewing Company

Depletion Data

“As we hit year three we really started to implement procedures, such as data collection and individual goals. At first it was just, “let’s all get out there and sell some beer.” Then we were able to take a step back and get the procedures in place to really drive success.”

Meghan Zachry, Director of Sales
Two Roads Brewing

“We also have the data that shows past successes right at our fingertips. It is a great way to be able to remind ourselves of the specific details of each account.”

Meghan Zachry, Director of Sales
Two Roads Brewing

Actionable Takeaways:

- The evolution of the three-tier system over time made it very hard for suppliers to understand their sales and continues to pose challenges today, but now there are more tools than ever that you can leverage to access this information.
- In the early stages of a brewery, consider how you can invest in technology as a substitute for hiring a sales analyst.
- Data is an essential part of running a successful brewery in 2020 because it helps you create strategies with a higher likelihood of success in a hyper-competitive market and gives your reps the visibility they need in day-to-day operations.

7

DATA-DRIVEN STRATEGY

7. DATA-DRIVEN STRATEGY

Finding The Data Points That Matter To Your Business

At this point in our ebook, you've read all about effectively managing your expanding sales team to crush your goals, building valuable distributor partnerships to improve customer adoption, and nailing product launches to grow your market share. But when the rubber meets the road and your product starts selling, how are you deeming your efforts successful? Beyond that, what tools or data are you using to measure what "success" actually looks like? Then, how is that informing your strategy?

During our panel, we asked our experts about the specific data points their teams use to guide their sales strategy and gauge the effectiveness of their planning and execution. We found that the yardstick for

measuring success is something that depends on each suppliers' business objectives. Regardless of the exact data point used, the importance of tracking, understanding, and analyzing these data points is universal.

We kicked off our conversation with Chris Russell, VP of sales from CANarchy, who

“We really utilize distribution, set goals for distribution, and constantly measure it, because that's really the scorecard that matters when it comes down to our people and our distributors. If we are not gaining distribution, then we are kind of going backward.”

Chris Russell, VP of Sales
CANarchy



emphasized that the data point they rely on most is distribution. By this, Chris meant a combination of points of distribution and volume. For CANarchy, a brand consisting of seven craft breweries across the country and is aggressively trying to compete with domestic brands on a national level, you can understand

why Chris' top priority would be points of distribution (POD). To effectively track this distribution, it's imperative to follow the steps outlined in chapter four of this ebook and build productive relationships with your distributor. By aligning with these partners and using tools like Lilypad's Placement Tracker and POD Report, you can keep your finger on the pulse of your brand's distribution. Chris also suggests using the goals you set for your team to drive this data point. Of course, some parts of distribution volume are beyond your control – you aren't in the store to persuade the consumer directly. But, you can use Armadillo or IRI data to guide which markets and which stores you tackle so you're sending your team after the highest volume stores with the right set of products.

The critical data point utilized by Allagash Sales Director, Naomi Neville, is rate of sale (ROS). At the time of our panel discussion, 70% of Allagash's revenue came from draft beer sales. For that reason, growing ROS, or pull-through, is the single

Data-Driven Strategy

most impactful thing that Allagash's sales team can be focused on. At Allagash, they monitor their rate of sale closely through reporting tools and working directly with distributors, then they implement tactics that improve it when necessary, like offering branded swag or staff training on site. Letting the data guide decision making helps them set more impactful goals for their reps and ultimately reach their revenue targets.

Contrary to Allagash, at the time of the panel, Two Roads Brewing generated 60% of their business in

the off-premise. They also were in the process of launching and promoting a few new brands. So for Meghan Zachry, Director of Sales, creating gap reports that show opportunities to get new brands into accounts Two Roads was already doing business with was the preferred data point. If Joe's Bottle Shop was having a lot of success with Two Roads Session IPA, why not piggyback on the brand recognition at that account and get their Double IPA in there too? With this information, you can build custom targets for your sales team to focus on the right accounts and brand

“Should we get glassware in there, more POS, coasters? How else are we going to raise that rate of sale? Staff training? We keep an eye on not only gaining distribution but seeing where we currently have business and making sure it is the best it can be.”

Naomi Neville, Sales Director
Allagash Brewing Company

pairings. You can take this logic and apply it to some of your biggest chain customers to make a huge impact on brand growth. Once you're in, it's all

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That's something that our sales operations manager really focuses on too; filling those gaps, managing inventory, and making sure the company has no stock issues, which is very important, especially when you get in the chain world.

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Meghan Zachry, Director of Sales
Two Roads Brewing

about managing that relationship.

Though each of these breweries had a different high impact data point they were focused on, they all share one thing in common. They are using this data both reactively and proactively. Our panelists each leverage consumer scan data, their depletion data, and their sales activity data to identify the right new opportunities to chase in the market. Then, they track their execution carefully to make the reactive adjustments they need to in order to make their strategy a success. Having the right technology at your disposal can be the difference between guessing and making truly data-driven decisions that increase your chances of success.





Actionable Takeaways:

- Decide which data points are most crucial to the health of your business.
- Do the research or acquire the tools you need to track these data points and understand where your opportunities are to make an impact on those metrics.
- Understand that some things might be out of your control, but you can prioritize team efforts to focus on the activities that will make the biggest impact.
- Actively monitor the execution of your strategy and let the data tell you where you have opportunities to pivot or coach.
- Set yourself up for success by making sure your distributors, retailers, and internal team are aligned on your data-driven strategy. Have targets, goals, incentives, and communication channels in place to motivate them.

8

CHAIN SALES

8. CHAIN SALES

Making Your Case To Chain Retailers

In the craft beer industry, the chain sale is represented by two separate yet equally important facets: the suppliers who make the beer and strategies they use to close the deals. These are their stories.

Okay, maybe it's not as dramatic as an episode of Law and Order, but sometimes, the cases that good suppliers make to win over a chain buyer can be as nuanced. During our time at CBC, we discussed this analogy with our panel and learned just how they handle their day in court.

As with any court case, the evidence is key. Jason Ingram, National Sales Director with Left Hand, kicked off our discussion by suggesting that breweries can use real-world product data to put their best foot forward

with chain buyers. Of course, with the sheer volume of market participants, there's a seemingly infinite amount of data. The challenge for supplier reps often becomes sifting through that data to find details and trends that support their existing product portfolio. Use your arsenal to build out a selection for the chain



“The way I look at it is a lot of chain decisions are data-driven decisions. It’s about being able to have access to that data and put your best foot forward. There’s a whole lot of evidence out there; you have to be able to decipher and pick what will put your brewery in the best light.”

Jason Ingram, National Sales Director
Left Hand Brewing

that will meet their needs specifically, that way it’s an easier pitch. Using data, you can make decisions that align with market trends, then suggest products that support the retailer’s sales initiatives. Maybe it’s suggesting different package sizes based on what’s selling in their region or introducing an IPA that’s doing well in that market.

Of course, a condition of this practice is to be honest. Just as in the court of law, it’s unethical to lie or manipulate your evidence. The chain buyers are just as versed in the data as your salesperson, and they certainly won’t be afraid to call BS on your team if they know you’re just manipulating the data to match the products you have in your portfolio. In chapter four about distributor partners, we mentioned the golden

rule of being the kind of person your distributors want to work with – the same applies to chain retailers. Be the salesperson they want to work with by presenting clear, truthful data that will be helpful to their business.

Chris Russell, CANarchy VP of Sales, doubles-down on the idea of presenting data in your sales pitch, but cautions against getting too lost in the weeds. He suggests that, instead of sales reps getting hung up on their sales decks or presentations, they use the data they have to simply have an open conversation with the chain buyer. Ask questions about their strategy and direction as a brand, ask them what kind of products they want on the shelves. Create a win-win for you and the retailer by listening to their answers, then suggesting products that meet

Chain Sales

their needs.

Obviously, if you are diligent in your research and truthful in your presentation, your jury may see all the evidence, good and bad. In the craft beer world, this means that if you're following the data correctly, you'll sometimes find other brands that fit the retailer's needs better. But that's okay! Take the opportunity to recommend different brands and build trust with the chain buyers. Once they can trust that you're not just there to hustle your products onto their shelves, they'll be more open to your suggestions –

something that will undoubtedly pay off in the long run.

So regardless of your specific approach, there's no way to stand out with chain retailers without using data to make your case. By using tools like Lilypad, you can easily tap into essential data to understand the status of all your accounts and what your sales team has done to support them. With depletion data flowing into Lilypad, you can even see when the products your chain buyers agreed to actually make it to their shelves. Then, you can set specific chain store targets for your

“Those types of simple things often spark a conversation and then allows you to bring it back into making your case. ‘I’ve got this, this, and this, and this is our rate of sale.’ Still using all of those data-driven, fact-based selling approaches, but really opening it up to a conversation.”

Chris Russell, Vice President of Sales
CANarchy

“ So, if you can go in with recommendations, not just with your brand but maybe another opportunity that they’re currently missing out on, you build that trust with the buyer. They know you’re not just in there for your business, you’re in there for their business. Gaining that trust with the buyer through a recommendation set goes a long way.”

Naomi Neville, Sales Director
Allagash Brewing Company

team and monitor their success in the field. Later in 2020, Lilypad will be rolling out a new chain specific tool to manage all of your authorizations, mandates, and programs in one place, alert your field team, and understand your actual sales.

Another great data tool our panelists mentioned often is Armadillo Insight, a platform that supplies depletions, consumer, and competitive data for craft breweries so they can hone in on the trends that matter to them. With ready-made analytic toolkits, Armadillo Insight develops selling stories for you, so your reps can easily identify and present compelling arguments to the chain buyer.

Chain retailers, much like your distributor partners, are an essential lifeline to getting in front of consumers, so it’s clear that building a relationship should be a key strategy for your business. With the right approach and technology, your sales team can present honest data that fosters a relationship with chain buyers that, not only keeps your partners happy, but also keeps your products selling.



Chain Sales



Actionable Takeaways:

- Use data to put your best foot forward and tell a story that will resonate with your chain retailers.
- Don't get in a habit of just throwing data at chain buyers, use it fluidly in a conversation about their business needs.
- Don't ever manipulate or change the data to only benefit your brand - look for ways to help your chain buyers make decisions that support their business, even if that means suggesting items outside of your portfolio. This will build the trust that pays off in the long run.
- Leverage available technology like LilyPad and Armadillo Insight to help you win chain deals, execute them, and track their success over time.

9

INCENTIVES

9. INCENTIVES

Creating Effective Incentive Plans That Drive People And Profits

For years, psychologists all over the world have theorized and tested the power of incentives on human behavior. According to psychologist Clark Hull, human behavior is primarily driven not only by intrinsic needs, like food, water, or shelter, but more so motivated by outside stimulants that promise some reward or recognition. While the catalyst for action might differ from person to person or situation to situation, incentives play a powerful role in behavior. As a manager, they should be a primary strategy used to guide your team's efforts.

We dove into the idea of incentives with our panel experts during CBC and really questioned how each of them utilize incentives to motivate their reps and guide selling strategy. But first – we threw in another shameless plug for Lilypad. Shortly before CBC 2019, Lilypad was proud to launch a new incentive feature that allows management teams to create specific incentives that instantly motivate action. Here's Lilypad co-founder Eric Rabinovitz at CBC explaining why we built it:

“When we started, there were very few variable comp plans that we saw. It was more of a traditional sales idea: ‘that’s my comp plan and how do I break it?’ ”

Eric Rabinovitz, Co-founder
Lilypad

“Over the past 8-12 months we started to have more clients sharing that they had plans set up in our goals feature and they wanted to get the data out to pay reps against it. That happened enough that we said, ‘Well you’ve got all the goals in there, you know what you want to pay out, how do we help with that?’ ”

Eric Rabinovitz, Co-founder
Lilypad

With feedback like that, we knew we had to do something to solve the problem. Through this new incentive feature, managers can replace their time-consuming spreadsheets. Comp plans drive behavior, so using accurate data to reinforce reward is essential. Plus, sales reps can routinely check in on their progress against their goals and be able to quickly identify if they’re in the money. If they’re not, they’ll

know where to refocus their efforts immediately.

Chris Russell, VP of Sales with CANarchy, shared that his team incentivizes reps on commitment versus fulfillment and the volume associated with those placements to see who on their sales team is headed in the right direction. From there, they build out contests and incentives that reward hard work. Of course, just like the goal setting

“Having the ability in Lilypad to look at that commitment versus fulfillment and volume associated with all those placements lets us see who is getting the right distribution. We’re actually building contests and incentives around that side, which I think is pretty cool to see because there’s obviously a lot of competitive spirit on the sales team.”

Chris Russell, Vice President of Sales
CANarchy

we talked about in our second chapter, you can't just set incentives and forget them – eventually, your team's interest will ebb. When CANarchy experienced this, they knew they didn't want to just hold people accountable for their goals, they wanted to encourage them to go above and beyond. So they restructured their incentive payouts to be more frequent, and thus more meaningful to their business.

Of course, the incentives that motivate one member of your team might not hold water with another. For Allagash Brewing, this means creating different incentive plans based on each person's role at the brewery. Naomi Neville, Allagash's Sales Director, shared during our panel that area sales managers

are incentivized by revenue rather than case volume. Ultimately, by rewarding trackable revenue across packages and product lines, Allagash managers prioritize the overall health of their brewery.

Field sales reps for Allagash, on the other hand, follow a more task-based incentive structure. Essentially, when reps complete visits or hit a specific number of placements, they're in the money. Using target lists through Lilypad, Allagash management can set up these tasks, then track how closely they're being followed at particular stores. Not only can these target lists be used to monitor individual rep success, but they can also be used to ensure the brewery is on track with distribution.

“We also are really loving the target lists. That's been really good for being able to get the right distribution. Being able to build out a target list as a manager in Lilypad to then see how many of those targets are closing has been really helpful. People can see what you're aiming for and when you get it.”

Naomi Neville, Sales Director
Allagash Brewing Company


“

It creates that team environment, and through Lilypad, we're able to encourage each other. And then I also want separate pay structures for the individual that they can achieve themselves regardless of their team members.

”

Jason Ingram, National Sales Director
Left Hand Brewing

As we discussed in chapter one, creating a strong company culture is the key to managing your dispersed sales team. To that same end, Left Hand Brewing's National Sales Director Jason Ingram, suggests creating a pool incentive to get all reps shooting for the same goal. He suggests that by working together, your team can disperse the effort and hit margin targets across regions, ultimately increasing the overall sales for the brewery. Jason also points out that incentives should be paid on an individual basis, but only on things that individual reps can control. You wouldn't want your team working towards a metric that operates independently of their efforts, so set objectives around the things they can and should be doing

every day. Of course, no matter if it's an individual incentive or a group target, your teams can use the Lilypad Social Wall to motivate and encourage each other.

For Two Roads Brewing, incentives are measured by point values assigned to every activity for their sales team. Meghan Zachry, Two Roads Director of Sales, suggests that following a point system for your incentives allows you flexibility in each unique market. In some markets, getting a display might be easier than completing a ride-with, and in another, a ride-with might be easier compared to earning repeat buys. By giving your reps a target point value instead of specific tasks, it will motivate them to do the right mix of activities for their specific market.

“So, through Lilypad, we basically put point values to things like points of distribution, repeat buys, displays, merchandising, etc. And again, it is catered to each market because it might be easier to get a display in some markets than it is in others. So, then they use that point system to work toward whatever that incentive might be.”

Meghan Zachry, Director of Sales
Two Roads Brewing

Incentives

So what do you do when your team actually hits their target, and it's time for you as the manager to implement a tangible incentive? Obviously, you want to pick something that's motivating for your team. Sure, a brewery branded hoodie is cool, but is that really going to be the thing that drives your sales reps and ultimately grows your business? Incentives for sales reps should be tied to a financial reward, whether that's a cash prize or something like concert tickets or gift cards or even some kind of trip. When you're planning to attend a show or conference that you need a sales presence at anyways, consider sending some of your top reps as a reward. And if you really want to up the ante, take a page from the Two Roads team who offered a once-in-a-lifetime "Super Bonus" – a trip to Germany. They set a lofty goal for their entire team, one that was even

higher than their brewery's overall year-end target, and when their team crushed it, they packed their bags for the Hefeweizen motherland.





Actionable Takeaways:

- Incentives are a crucial part of human psychology and should be leveraged in business to achieve your goals.
- It is essential that your team has visibility into what their incentive plans are and how they are tracking against them if you want the incentives to be effective. Leverage technology like LilyPad to make this easier and more actionable.
- Remember that what motivates one person might not motivate another – implement incentives that motivate each person’s personality and role within the organization.
- Consider using group incentives or revenue targets to drive overall brewery fiscal health.
- Consider developing a cumulative point based incentive system that offers flexibility in each unique market.
- Offer a tangible incentive that will truly motivate your team – whether that’s financial or experience based.



10

THE FUTURE OF CRAFT



72

10. THE FUTURE OF CRAFT

A Past Perspective On A Look To The Future

Preface: As a quick aside from our authors, this ebook will be published online in April 2020, in the middle of the COVID-19 pandemic. It will be interesting to see how the fallout from this virus colors the points made in this chapter. It's our hope that you, the reader, and your breweries, manage to bounce back from this crisis and the marketplace can go back to sustaining the amount of craft brands that are described in this chapter. As always, the teams at Lilypad and Fintech are here to support you however we can.

Throughout our talks with industry experts, the craft industry had been described as “tumultuous,” “saturated,” and “harder to sell beer than ever before.” To round out our conversation, we detoured a bit from asking about their sales

tactics to pursue a more open-ended conversation around the future of craft beer and what these descriptions mean when it comes to setting their breweries apart. Their overwhelming answer was that yes, there is a lot of beer out there, but that's not a bad thing. It just means individual breweries have to get creative when it comes to standing out.

For Meghan Zachry and Two Roads Brewing, they see the saturated market as an opportunity to focus on the accessibility of their products to different drinkers. This means opening up their portfolio to hit different demographics. If your brewery is mostly known for a core IPA brand, as Two Roads has been for their Lil' Heaven Session IPA, you have the opportunity to tackle a new demographic by


“

I think that it's really important to try to bridge that demographic and realize that you don't have one target drinker, there are multiple drinkers that you're able to hit.

”

Meghan Zachry, Director of Sales
Two Roads Brewing

diversifying your offerings. In the case of Two Roads, this meant opening a sour and barrel aging facility. Session IPAs and sours really target two different kinds of drinkers (or maybe a handful of eclectic pallets), so creating a new product could help you break into a whole new audience. Of course, if you follow this path, be sure to pay attention to the advice from chapter five for a successful product launch, so that you don't get lost on the shelf.

Naomi Neville, Allagash Sales Director, takes a different angle on bringing your brand to new drinkers. If you're trying to gain new drinkers in times of heavy competition, you need to get out of your comfort zone and meet drinkers where they are.

It's unbelievably challenging to climb the national brand ladder, but that doesn't mean you can't crush your market. Think about local events you could sponsor, like maybe a gym class or local festival that attracts consumers that fall outside of your typical customer. The more you can do to reach out to drinkers and gain recognition in your local markets, the better off you'll be as competition grows.

Conversely, Jason Ingram and Left Hand Brewing treat the full market as a time to play directly into their brewery's strengths and stabilize financially. When it comes to capital expansion, they take a more conservative approach and focus

“You know, meeting those people where they want to be met is a lot of what we're working on right now. There's a lot of competition out there, you know I just heard Jim Koch last week said, “there won't be another national brand.” That's probably right, it's hard to be relevant everywhere. I think the future is that every little town will have four or five little breweries, and they'll be a good business and make a good living doing that.”

Naomi Neville, Sales Director
Allagash Brewing Company

The Future of Craft

their energy on their tried-and-true Milk Stout. That's not to say that they shut down production of anything new, it just means they don't spend unnecessary time or money pushing one-offs. Obviously, the longer your brewery has been around, the more understanding of financial ups and downs your team will have, and the better you'll react to changes in the industry. For Left Hand, they follow the sage advice of their founders that "the only people that get hurt on roller coasters are the ones that get off in the middle." Stick it out with your core brands driving you, it might just be the

thing that pulls your brewery ahead of the competition and gives you the financial stability to invest in growth responsibly.

“So, playing to our strengths, doing what we do well, and making sure that we don't get out of our skis financially where we have to make tough decisions.”

Jason Ingram, National Sales Director
Left Hand Brewing



“ I think it’s really important to kind of reset. Just remember that we’re selling some pretty amazing products that make people happy. I think that’s important, and if you approach it that way, then a lot of the other challenges are a lot smaller.”

Chris Russell, Vice President of Sales
CANarchy

No matter how your brewery chooses to approach a somewhat troubled market, Chris Russell, CANarchy VP of Sales, encourages brewers to not lose sight of one fundamental fact: the craft beer industry is still a fun business! Even as competition increases and new challenges with expansion arise, craft beer remains a product that makes consumers happy. Once you put that into perspective, your team can get back to enjoying the process - everything from new item production to sales strategy to restructuring your incentive structure, and creating true partnerships with your distributors - knocking down challenges one at a time.

With that, we close out our Beer Sales Best Practices ebook. Thank you so much for those of you who

have read along, and a very special shout out to our panelists, Meghan, Chris, Naomi, and Jason. We hope you found our conversations enlightening and maybe even pulled tips to apply to your brewery. Remember, craft beer is, and will always be, fun.



Actionable Takeaways:

- Understand that even though the landscape is saturated and changing, your brewery can still find innovative ways to stand out to a meaningful and profitable amount of drinkers.
- Tactfully approach new demographics by identifying how your potential new products relate to particular audiences.
- Expand your brand reach by meeting drinkers where they are – consider getting involved with communities and events that might be outside your comfort zone.
- Play to your brewery’s strengths and don’t lose focus on your core brands – they will pull you through when times get tough.
- No matter where the industry heads, remember you’re spending eight hours a day, five days a week, 261 work days a year creating and selling products that make people happy in an industry that is just plain fun.





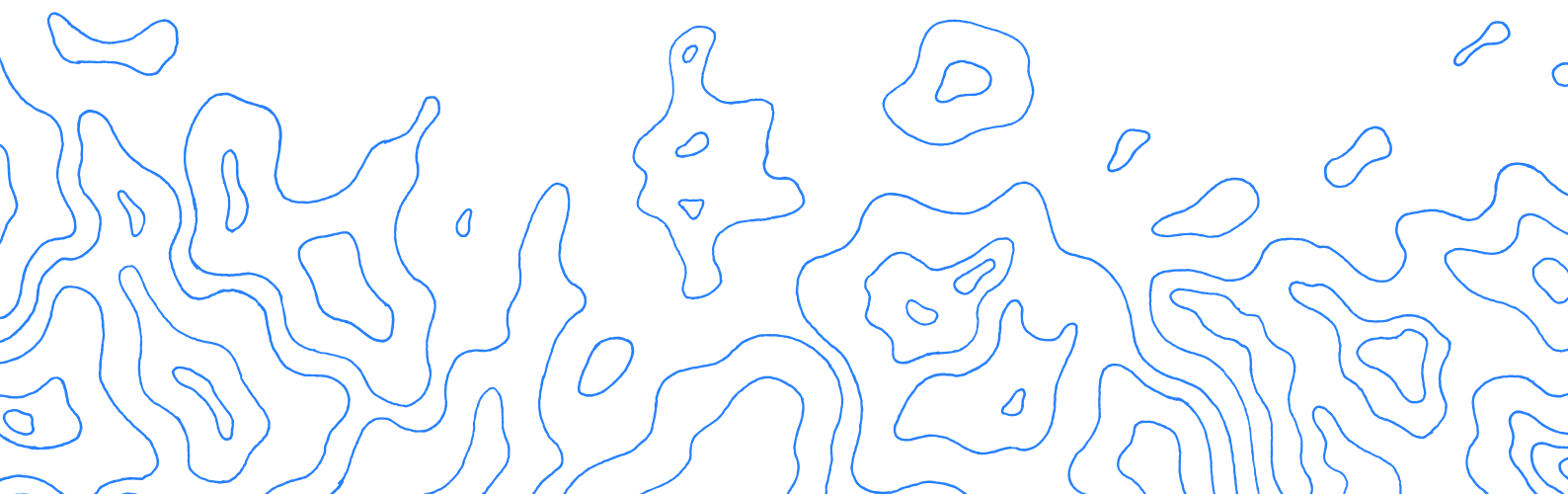
About Lilypad & Fintech

In Q1 of 2019, Fintech, the leading business solutions provider for beverage alcohol management, acquired Lilypad. Combined, we offer a suite of software products built for suppliers, distributors, and retailers. Together, Fintech and Lilypad are building platforms, partnerships, and integrations that will push the three tiers forward.

Lilypad CRM was built on the feedback of the nation's leading suppliers and distributors and is designed specifically for alcohol sales teams with their sights on growth. Lilypad Data aggregates daily sales across a supplier's distribution network to further close cross-tier communication gaps while providing actionable insights needed to sell more liquid. Over 300 suppliers and distributors go to market with Lilypad. With a focus on user-first design and industry-leading customer service, Lilypad prides itself on making cutting-edge technology that pushes the beverage alcohol industry into the future.

Fintech is the leading business solutions provider for the beverage alcohol industry, empowering alcohol suppliers, distributors, and retailers with smart solutions that simplify beverage alcohol management. From product ordering and invoice payments, to sales strategy, business intelligence, and industry insights, Fintech continues to lead the development of technologies that increase margins and maximize operating efficiencies for anyone who sells alcohol. With decades of industry experience and unwavering dependability, Fintech connects over 600,000 business relationships nationwide.

Learn more about us at fintech.com and lilypad.co



More Praise For Lilypad From Our Panel

“ [Lilypad’s] really, I think, taken us to a point where we are in all 50 states, we have 115 people across the country, and it’s kind of leveled the playing field and given us visibility into a large organization while also keeping the culture at the beginning.”

Chris Russell, Vice President of Sales
CANarchy

“ Like with the social feed, people just love posting cool shit on there. You see when people start bumping posts and getting on it that it’s just a great way to use technology to perpetuate your culture.”

Chris Russell, Vice President of Sales
CANarchy

“ Lilypad was an absolute game-changer. We were about to sign with another CRM company then we saw Lilypad and both myself and my sales analyst walked out of the meeting like, is this for real? It really does all this? This is amazing. This is made for the beverage industry.”

Naomi Neville, Sales Director
Allagash Brewing Company

More Praise For Lilypad From Our Panel

“What I really think is that one of the best features about it is exporting out the data in a discernible way for wholesalers. I’ve talked about bringing value to your wholesaler and Chris talked about not wasting their time, so being able to give them something and action items from Lilypad that are very easy to decipher and act on immediately, you can’t underestimate that.”

Jason Ingram, National Sales Director
Left Hand Brewing

“When we first were considering Lilypad I actually called some friends from Allagash and Oskar Blues and asked what they thought about it. You know, the people that used it every day, and they loved it.”

Meghan Zachry, Director of Sales
Two Roads Brewing

“If our team members are using Lilypad to check in everything with all of their accounts, they don’t have to spend a lot of time on an office day. They have more time on the road because Lilypad just creates that report for them.”

Meghan Zachry, Director of Sales
Two Roads Brewing



BEER SALES BEST PRACTICES

CURATED FROM CONVERSATIONS WITH INDUSTRY LEADERS

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About this ebook:

Everyone has questions, but it's not very often you get to ask the experts the hard questions. That's why we created this ebook and hosted the Beer Sales Best Practices Panel at the 2019 Craft Brewers Conference. The panelists, consisting of sales leaders from CANarchy, Allagash, Left Hand, and Two Roads, gave straight answers to the hard questions. Our goal was to take their best practices and share them with the rest of the beverage alcohol community. This ebook is full of hidden gems and actionable takeaways that may reshape how you manage your sales teams, adapt in an ever-changing market, assess the future of craft, and everything in between. We'll deliver the same value to readers that the in-person CBC attendees said we delivered to them — answers to the hard questions, for the betterment of alcohol sales teams everywhere.

