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Podcast: Brewery Financing Tips for 2022

Kary Shumway ([00:00](#)):

Welcome to the craft brewery, financial training podcast, where we combine beer and numbers to provide you with tips, tactics, and strategies, so that you can improve financial results in your brewery. I'm your host, Kary Shumway, a CPA CFO for a brewery and a former CFO for a beer distributor. I've spent the last 20 years using finance improve financial results in our beer business. Now I'm helping other craft breweries to do the same. Are you ready to take your brewery financial results to the next level? Okay, let's get started.

Kary Shumway ([00:36](#)):

Hello and welcome to the craft brewery financial training podcast. My name is Kary Shumway, and I'll be your host today. I speak with Jason Sleeman the vice president of the craft beverage lending group at United community bank. Jason and I get into a number of topics, namely, what's going on in the market these days for banking and financing, what aid packages might still be out there and how exactly does getting a loan work? What's all the information that you're going to need. What is the bank looking for? How long does that process take? We really dig into the guts of the decision making process and Jason shares a number of the elements from a checklist that he provides to his clients and perspective clients on how to prepare for getting a loan. So for now, please enjoy this conversation with Jason Sleeman from United community bank. All right, Jason, welcome back to the podcast.

Jason Sleeman ([01:35](#)):

Hey, I'm, I'm glad that I'm getting to be back. It's means that we both made it another year since it's been a year, we made it!

Kary Shumway ([01:42](#)):

We did indeed. So for folks who missed our first podcast episode, I'll put the link in the show notes. So definitely recommend people check that out, but I wanted to have you back on so much has changed in the market from a banking financing, really from every perspective, but obviously banking and financing is your expertise. So I'm excited to have this conversation today. So we, why don't you tell folks who may just be meeting you for the first time about you about United community bank services you provide and so forth?

Jason Sleeman ([02:12](#)):

Yeah. So my name is Jason Sleeman and I am a commercial banker with United community bank and I'm focused on craft beverage lending for the whole us. And so we've got a specialty vertical where our team is really focused on from our underwriter to our closer to our construction. You know, they're really focused on the craft beverage side of things. I've been a banker now I'm starting to get gray hairs in my beard if you saw the video of this. And so I've been around for about 21 years now in, in commercial banking, but focused for the last nine on craft beverage. And so, you know, we, we are, if you're in the Southeast, you would recognize us as a, as a full service bank, anywhere else in the country, you would only know us from kind of our craft beverage or some of the other specialty verticals that we have throughout the bank. So you know, we're, we're really still very bullish on the, the craft

beverage industry and think that there's a lot of great opportunities out there and you know, continue to see growth in the industry. You know, as we continue to go forward.

Kary Shumway ([03:11](#)):

So we talked, you and I about a year ago, our first podcast, it's kind of amazing. It's been a year already, but G 2021, it's not January 20, 22. Back then we were talking about PPP one and PPP two relief packages, et cetera. What are you seeing these days? What, what are the top banking issues what's going on in the market out there?

Jason Sleeman ([03:34](#)):

Yeah. So just overall from the market, I think you're seeing, and I, I think there's a desire still for some of that relief. There's, there's not a lot of that out there at this stage. But you're also seeing the pandemic had shifted a lot of brewery. So, you know, it, prior to 2020 some said, well, we're not going to do any package. And now you're sitting here in the beginning of 2022, and they've got packages on the, they've got package on the shelf, right. They've got a couple different lines. They've, they've added equipment, they've done things like that. You're, you're still seeing you're starting to see some continued mergers you know, some, some are small and some are big, right? We just talked about the monster key anarchy you know, acquisition, you're seeing that some on a smaller scale.

Jason Sleeman ([04:24](#)):

So you are seeing some small breweries who have said, Hey, look, I I've fought the good fight and I'm going to sell out to someone else. Or you're seeing someone and saying, Hey, I, I really kind of like that brand. And I, I want to buy that. So you're seeing kind of some, some natural M and a structure you hadn't seen recently. And then you are seeing still a lot of startups, and there's still a lot of people out there trying to start up and you're seeing expansion. So there is you know, people who've come out of COVID that change their model, or have really endeared themselves to the local community. And they're looking to expand their either of brewer in their existing location or expand out and look for additional places within their region to offer tap models.

Kary Shumway ([05:11](#)):

And you work with primarily, you know, businesses breweries that have been up and running for a period of time in writing business on expansion and so forth. So you, as you mentioned, you know, during the beginning stages of the pandemic folks were expanding into packaging equipment so that they could, you know, really leverage up the off premise, are you still seeing that, are people still expanding in that regard buying equipment? Or what, what are folks asking for money for these days? What's the, what's the general package.

Jason Sleeman ([05:44](#)):

Yeah, so I, I think we're seeing a, a couple of different requests and one of those is equipment only, right? So someone says we actually had a really big warehouse space, or we had more space than we really needed. And so we've been on you know, a three barrel. And so that three barrel was really just kind of supposed to focus on our top room, but now we have cans and we can't actually even keep up with the can requests. And so now we have taps that are out, we have things like that. And so you you'll see people in there buying a 10 year old brew house, and that same package are going out and buying new tanks and a canning line and doing, doing kind of these things. So you you'll see that as the one

place where you you've seen someone who thought they were going to organically grow and COVID kind of sent them into hyper drive.

Jason Sleeman ([06:35](#)):

And you've seen the, the other type of requests on the expansion side that I think we're seeing is someone who says, look, we, we were built for scale to start with. So we, we had a 15 barrel or a 30 barrel brew house. And, you know, it's amazing to think something that probably you and I didn't think about is a lot of the states updated their laws or changed their laws over the last two years to try and help support these craft beverage companies. And so you're, you're seeing a lot of others go in and say, we we're going to add spirits as a line to what we're going to do. We, we are going to go out and get our far farm winery license, and we're going to add CIS or, you know, the, the advent of the seltzer. And so what you're seeing then is you're seeing these breweries that have, you know, four or five product lines, they're almost kind of like their own little bar.

Jason Sleeman ([07:24](#)):

And so they're going out and building these small tap rooms around where they're putting smaller systems in. But they're kind of doing a hub and spoke model where they've got the big large facility that's still handling their package. And then they're going out and finding these little small place, says it being in neighborhood market. And, you know, when you do those requests, they don't need the big, they don't need to be in the industrial warehouse. They can be on main street USA. And so they, they really have great margins. And so, you know, there's a lot of breweries that are trying to take advantage of that right now as, as kind of the recovery of people going out and, and trying to be part of that, to, to find that higher margin profitable beer on main street.

Kary Shumway ([08:04](#)):

So when people come to you with a request for a loan, what type of information are you looking for? Like, what are the, maybe the starting points? Like what's the bare minimum, like when they come in, how do you, how do you kind of tee that up with them?

Jason Sleeman ([08:17](#)):

So one of the first questions I ask if they're in expansion, right? So we'll, I think we'll talk about startups maybe a little bit later, but if someone's coming to an expansion, you know, I I'm, I am trying to make sure that their financials have done at least a V. And the V that I'm hoping for, and not that it's still a downward slide is that if I go back and ask you, are your 20, 20 ones better or equal to your 20 nineteens, or are you, did you go 2019, went down to 2020 and still down to 2021. Right. So it doesn't have to be a complete V you know, maybe it's a check mark where it's, it's come back. But what, one of the first things we want to do is we want to see that you started to recover from the pandemic and that you haven't really started.

Jason Sleeman ([09:03](#)):

You're not continuing to hemorrhage the money. You know, it's kind of one of the first places. Then, then the second thing that I wanna make sure of is that we've got a strong understanding of how your funds are going to prepare, propel you into the future, right? So we wanna make sure that what you're not doing is trying to borrow money just to kind of bandaid and, and patchwork things together that this is going to be something that will continue to push you forward. And so, you know, we, we're looking at that and making sure that, you know, we're not getting breweries over leverage. I think, you know,

there's a lot of is out there that wish they had less debt on their balance sheet as March of 2020 came around, cuz it would've made 'em a lot more nimble. And so I was talking to a brewery owner today who said, I thought we would be outta the pandemic by now, but hopefully later on this year, maybe that'll be the case.

Jason Sleeman ([09:50](#)):

And so I think brewery owners are thinking a lot more efficiently and how do they be nimble? So we we're talking about that, but, but also making sure that, you know, everyone is, you know, still on board. So, you know, we we're checking the cat table cuz a lot of, a lot of breweries did dilute there ownership table over the year, they may have gone out and done some crowd funding. They may have gone out and sold shares. They may have done something like that. So making sure that that all aligns, you know, making sure that there's still quality financials that you know, they didn't skimp on their CPA or someone like that. And all of a sudden their balance sheet doesn't balance or their income, statement's all, you know, messed up. So being able to have you know, that quality reporting because you know, in, in tough times in great times, the, you want quality reporting, but you can get away with that in, in bad times, if you don't have quality reporting, you think you're making money and you're really losing money that that's a bad sign. So, you know, it really is just making sure that everyone has come back from, you know, kind of their, they're not still sliding and that they know how they're going to spend their money going forward.

Kary Shumway ([10:52](#)):

Mm interesting. And so you mentioned the dilution is that, that is something you've seen of fair amount. Is, is that, is that a cash flow issue? Like, oh man, we're outta cash. We need to go, you know, raise outside money and dilute our shares as a result.

Jason Sleeman ([11:05](#)):

So I think it would, it happened two different ways is one people expanded in the pandemic and either they were very young. So you opened in 2019 and you had no revenue. And so you, you went and said, how do I do this? And so the only way to do it was to go to your, a lot of people sold to their customers, right? Hey, we're going to sell 10% of our company to our customers. And you know, the, the people who had supported it through the pandemic were now owners. And so they, they did it to expand and buy that equipment that they knew needed to keep the doors open. The other was, oh man, we're, we're running outta money. We're, we're actually okay from an equipment standpoint. But if we keep on this path, we're going to have to close our doors.

Jason Sleeman ([11:48](#)):

And so they diluted it to make sure that they had appropriate working capital. And so that, that was, that was part of it. And, and then others, I think it was just kind of coincidental timing where they went out and they were raising capital and, and trying to do something. And the pandemic came and it hurt their valuation. And so they had to give up, they, they, they thought they were going to, you know, sell 10% of their company for 5,000. All of a sudden they had to sell 20% of their company for 5,000 because the, the numbers didn't go the way they wanted.

Kary Shumway ([12:18](#)):

Interesting. So from a, from a banking perspective, an underwriting perspective, any red flags there for you, like what do you, how do you take that into an account when you're assessing their financials?

Jason Sleeman ([12:33](#)):

So the biggest thing I always tell everybody when they come to borrow is you need to be able to have the story that goes along with the, the numbers, right? So you can hand me a set of, of paper and I can make my own assumptions. Most of the time they're wrong when I make my assumptions. So I love when, you know, I always tell, you know, some when I'm like, all right, send me send me this. But some of the most important things that you're going to send me are going to be the assumptions on how things go, right? So this went, this didn't go the way it was supposed to go, how come this, this was higher, this was lower. And being able to understand that. And so being able to understand the story that goes along with the number, especially coming out of a pandemic is, is huge because you know, again, prior to 2019, it underwriting was a lot more number driven.

Jason Sleeman ([13:22](#)):

And, and I'm not saying that it's not very number driven now but being able to under understand and explain a one time blip there's a lot more forgiveness in, in this time now as we're recovering from that, then there would've been, you know, prior, prior to a pandemic happening, you know, bad management is hard to explain, but under being able to explain through a pandemic is a lot easier and, and people a lot more, especially if you've, you know, had the recovery, right, you were able to operate through it. And now you're seeing that upward track.

Kary Shumway ([13:52](#)):

Gotcha. So just to underscore a few things for folks, fundamentals, things to think about as you're approaching your bank for a loan, you had mentioned you know, the quality reporting, always key, you know, C if it's an outside CPA or an internal, gotta have the good numbers the V shape. That's interesting. I hadn't heard that. Cause it sort of basically says, look, 2019, we know it went down in 2020. We don't need to talk about, we do need to see 21 rebound. So that's sort of a understood kind of baked in there. I think that's, that's helpful. And then the story behind the numbers, and it's interesting, you say that too, cuz there may be a perception that, well, your banker really only cares about the numbers. You know, they're not going to, but you're saying that's not quite the case. You need, you need to have the story behind it too.

Jason Sleeman ([14:37](#)):

For me, I, I look at it like I'm an advocate for the brewery, right? So clearly the bank's not going to do anything crazy. They're not going to you're hemorrhaging money and the bank's not going to throw more money at it. But if you can explain it and, and you have, you know, a story that goes along with it and you can say, here's, here's how we now adjust that and it's not going to happen again. You know, that that's really important that that's clearly one of the things that breweries that have a longer track record have I guess a, a little bit of an edge on someone else. If you've own only operated in a pandemic then that's all, you know, and that's all that your financials will show. But if you have been pre pandemic and you had pandemic and you've started to recover, you can say, okay, well look before the pandemic, we were in this really good shape and this is just a one time blip and now we're back on. But it's, you know, it's still fundamental lending underwriting, right? So I mean, you know, you, you still have to bring equity to the table. You still have to have good credit. You still have to have, you know, kind of the same, the basics, but if it's a, if it's a borderline deal, the story can change a no from a yes,

Kary Shumway ([15:46](#)):

The X factor.

Kary Shumway ([15:49](#)):

So I wanna dig into the guts of the, the decision making process. So if somebody's thinking about man, I want to go get financing. Their thought maybe is I need money. So I can, you know, invest in my business in this way. And that maybe is where it begins and it ends, but from your perspective, and, and maybe this is useful for that person that maybe approaching their lender, how exactly does the bank determine if a brewery's going to get funding, like take us, take us through that process. What does that look like? How long does it take who's involved? Cause it may also be a perception that, you know, someone approaches you thinking, well, you know, Jason's going to make the decision, but you've got you various protocols. You need to go, how does, how does that work? And I know, I know it can be different depending on different banks, but what's kind of a common process.

Jason Sleeman ([16:42](#)):

Yeah. So I can start with timing. And so last year we closed a loan, one loan in 45 days and another loan in 14 months. And so the hard part about that was there was a lot of things that were outside of the bank's control, you know, especially on these expansions, you know, getting, we, we, before we close the loan, we want you to have a construction contract and we want the, you know, equipment, invoices, and we want you to have the appropriate permitting. And we wanna make sure that, you know, if you're going to have a water, you know, ice water issue that, you know, you've got an action plan on that. So there's a lot of things outside of just getting the money that goes into closing a loan, especially for a brewery. So the, the timeline can vary widely just based on those outside factors.

Jason Sleeman ([17:30](#)):

But, you know, a typical, what we try to commit to is you know, if, if we have a complete package and I'll tell you what a complete package kind of looks like, right? So for an expanding brewery, that's historic tax returns, it's a year to date P and L in balance sheet. Right now we're just kind of using year end 2021 is that that time it's a personal financial statement. And, you know, I, I don't want to get too in the weeds on the personal financial statement, but that seems to be one of the places that a lot of brewery transactions derail themselves you know, in the brewing industry, I I've unfortunately seen negative per personal financial statements where their net worth is negative or you know, we, we say, Hey, you just using a round number, you're going to need to bring \$250,000 in equity.

Jason Sleeman ([18:18](#)):

And they've only got \$250 in the, in their name. You know, and so being able to do that. And so the personal financial statement takes a lot of massaging and that's usually where we start to seal is kind of in the investors pull in. You know, and, and one thing that, you know, is always important is any 20% or greater owner is going to be required by the SBA to provide a personal guarantee. That seems to be a really contentious point right now for some investors in the brewing industry. And so just something that, you know, if, if you're having to go out and raise outside investors, I think that's a conversation that happens really early. It's a conversation I have to have very early with our borrowers but also, you know, it's your personal talk about personal financial statement about your personal taxes.

Jason Sleeman ([19:04](#)):

Background and credit are also things that sometimes you know, will get you I, I had someone to apply for an SBA loan over this year who was delinquent on their government taxes. That's an absolute show stopper for, for that, unless you have payment plans and some other things going, if you're currently just, you just haven't paid your taxes, or you've got a student loan that you've stopped paying and not,

not as part of any of the know deferral programs, but you just stop paying that, you know, the SBA is a government product. And so if you're currently delinquent on government debt, you've got a bankruptcy. If you've got, you know, something that is really kind of hard to explain in your background, those are all things that can kind of derail it. So those, those are some things think about from the personal side, but traditionally what I try to do as a, if I can get a full package within three to four days we're going to try and give you a initial, you know, either term sheet that says, we, we think we can do this.

Jason Sleeman ([20:00](#)):

And here's generally what we can do, or we're going to try and say, Hey, this just, isn't going to be a fit for what you're trying to do right now, here are the three or four things that you need to strengthen or do differently to try and make it work. After that, usually the underlying process takes about two weeks. So within two weeks you know, we've pulled credit background and, and started to do some things you know, to, to really kind of understand it. And then after that, it goes into the closing and that closing, department's going to the person who makes sure we've got the construction contracts and we've got out all the appropriate permitting, and you've got, you know, kinda all the ducks in a row that, you know, all, all those pieces. So it can be a very streamlined process, but just, you know, craft beverage inherently kind of has a bumpier process than some other industries do.

Jason Sleeman ([20:49](#)):

So those, those are kind of the, the big things. But I, I think just keeping in mind that, you know, it's, it's just like any other loan, you know, if just because you have a passion for something you know, it doesn't necessarily relate. You've gotta be able to have appropriate collateral. You've gotta be able to have appropriate cash flow. You gotta be able to have, you know, all, all these pieces. And so, you know, you're starting to see a lot of, you know, on the expansion side, you're seeing people come and say, Hey, I wanna expand. But they have negative cash flow or they don't have the collateral, or they, they personally have, you know, they they're, you know, having these issues. And so they're just making sure that, you know, I always ask this, if someone asks you to give that, if you had it, you know, and, and I try and use the same thing for myself.

Jason Sleeman ([21:30](#)):

If someone asked me for a million dollars when I had it, would I give it to this person? And that's usually a pretty good sniff test on whether or not you should be asking for money. And, you know, if you look at it and say, it's it's pretty good then. Yeah. But I always tell people, you know, people just think SBA is this catchall and all that. It's, it's really not the, that, you know, simple, you know, banks, if they make a mistake, they only usually get one mistake per hundred. Right. They don't get you, can't let half of your loans go bad and still be in business. And so it, it is all about managing risk. And so you're just trying to present the appropriate risk profile.

Kary Shumway ([22:04](#)):

Hmm. Yeah. That's a good rundown. Do you guys provide, so the checklist of things that you had mentioned, right. So how can people prepare, right. You know, get your historical tax returns, your P and L balance sheet and so forth. Is that something that you have, like a check I'm a big checklist guy. Like, do you provide that to them? Hey, come back, see me in a week and pull this stuff together. How does that work?

Jason Sleeman ([22:26](#)):

So my, so my process, because I understand how craft beverage is that what was important today may get not important in a couple days. So what I traditionally do is I'll talk to someone, make sure they have their email. I will forward them a checklist with all the attachments. So all the forms in fill out, you know, kind of a bullet point of include this, include, this, include, this, include, this. And then I'll, I will tell them that I will call of them back in two weeks to start understanding what questions they have, cuz it usually takes. Now sometimes I get it back the next day and that is usually a great sign to me. But normally it takes a couple weeks and I use a call in a couple weeks and answer any questions they have and, you know, inevitably during the pandemic just owners of breweries, distillery, cider they're, they're just, they're pulled in a million directions right now. And so it may be really important on Monday. And then, you know, something goes wrong on Tuesday and it's not important again until I call again in a couple weeks. So I do, I, I provide a list and then I also try and, you know, help throughout the process as we go.

Kary Shumway ([23:25](#)):

Mm yep. That follows important. And that's, you know, that's a large part of the re and you know, where you and I are doing stuff like this is to, is to help give, you know, craft brewer owners operates the tools and resources to, and I guess knowledge of, you know, these are the things that are going to be expect. You want the money, right? You need the money. But there's things that we need to do in order to get it. And you know, for sure we've all got other things to do. But I think the more prepared people can be like, oh, okay, I'm going to have to do these things the more they can say, all right, well, it's not going to go away. You know, Jason's, email's going to come he's he really does. You know that P and L he's not, he's not going to just say, well, you know, it's beer, we don't need to worry about it. Right. It's you're going to need it.

Jason Sleeman ([24:11](#)):

Yep.

Kary Shumway ([24:12](#)):

Yep. So I think, I think the more folks can kind of hear it and then to kind of package it up. I mean, you you've mentioned the full package and say, look, these are the components of it. It may seem like a lot, but you chip away at it. You know, you delegate some, your CPA can grab some and so forth. So I, I think that's that's really useful to get folks kind of prepared for it. So let's talk about you'd mentioned, you know, startup breweries, right. You know, we, we're talking offline, there's still a lot of people interested in starting a per brewery. It's just a cool business to be in the pandemic has not really tamped down, you know, those desires to get into it. So folks are still interested. So where do you, when do you suggest they start talking to a lender and I know startups are tricky, so maybe you can speak to that as well.

Jason Sleeman ([25:05](#)):

Yeah, it's so I'd start by saying, I wish I had half as many requests for healthy expansions as I get for startups every day. Right. The, the, there are a lot of people who are starting up and then, but I, I do think you're also seeing a lot of people who may have been a head brewer or had was a, you know, head brewers usually where you start to see it, but they were kind of breaking off and saying, Hey, I don't really wanna do something huge, but I wanna do something on my own. And so you're starting to see some of that. You're still seeing a lot of home brewers that you know, I I've been home brewing and I wanna start a brewery. And you know, it's for, for that. I mean, we're still seeing a lot of that too, but,

you know, as, as we're seeing it I would say you probably can't start too early from, you know, a startup perspective.

Jason Sleeman ([25:50](#)):

And it's for two reasons that I think the earlier the better for the most part, startups are not very cash flush. So I, I have seen a couple of startups where they're not having to go out and raise equity, right? So someone comes and it says, we're doing a 500,000 project. I've got enough personal net worth that I can put the equity in and we're good. I'm seeing a lot more, \$3 million Starbucks requests where they need to go out and raise 600 or 700, 800,000. And they really don't have that. Right. So that, that is pretty early on to make sure one, you've got a concept, but two, you've got, you know, if you need to raise six or \$700,000 that is not as easy as a task as it used to be. You know, it's there's a lot more breweries.

Jason Sleeman ([26:41](#)):

There's, there's a lot more, you know, pull for people's money. And the returns are a little bit slower to come. So if you have to have a big raise you need time for that. The other is the site selection. So, you know, I've got a couple of breweries that we have given them the green light to we'll give them funding. And we are now in like month 15 of the real estate search for them. And so, you know, you, you may have all your ducks in a row. You may have the bank having the willingness to give you the funds. You may have the investors willing to, to help you out. But you may not be able to find the right spot. And so, you know, you continue to find it. There there's two main factors there, one real estate's super expensive right now, if someone's buying their building, it, it almost doubles in some cases, 60, 70% increase in the overall project.

Jason Sleeman ([27:37](#)):

But two, you know, if you don't buy the building, then you have, you know, what, what you're limited to what's available for lease. And that isn't always the most attractive, right? It, it may be in an office complex, or it may be in a industrial warehouse, but not somewhere where people want to come and drink beer. And so, you know, it, it, it, there's a lot of things outside of just the desire to want to start that it really comes in. And that's, that's where, you know, you, you, you and I talked about earlier about just wanting to continue to help and, and add the right value. And that's where, you know, if you come early enough, we can help you find the real estate person who's plugged into that. Or, you know, you can find the right people to help you build your performance and, you know, all those kind pieces.

Jason Sleeman ([28:20](#)):

So I would say the instant, you think you want to start one it's worth kicking the tires on you know, I, I've still got guys that are we're three or four years into knowing each other. And they're still planning, right? So it's, it's, I don't think it's a, it's never too early. And I think if you have a realistic expectation that it may never come but it could take more than 12 months for you to get from concept to open. It's going to, it take you more than 12 months, but maybe 12 months from concept to borrowing money you know, is really important.

Kary Shumway ([28:51](#)):

Yeah. Most people are not super patient. Right. You get the idea and you want to get going and you don't know why it's taking so long and invariably it does, but that's, that's good advice, you know, and I've often felt that in written about and talked about that, you know, your, your banker can be your business partner. I mean, you mentioned it earlier, you, you advocate for your customer. And so that

notion of, you know, some people might be intimidated honestly, about going to the bank being like, well, I don't know. I, if I show up and I start talking to Jason, he's going to tell within a minute that I don't know what I'm doing. That's going to make me look bad. Right. So maybe, maybe speak to that. If people are feeling uneasy, what, what is your approach with that? If somebody walks in and you can tell it's like, seems like a good person, but doesn't have a clue. How do people, how would you get somebody over that hump of being nervous about that?

Jason Sleeman ([29:44](#)):

So I will tell you that if, if you come and you don't know anything, it's great because I get to introduce you to all my friends who know a lot. Right. So we talked about it. You know, if, if, if you don't know about the licensing there's really awesome attorneys in, in the states. You know, I there's CPAs that will help make sure that when you get down the road you can do that, that Kary there's people like you, who I can say, go get this education from Kary. You know, it's easy, it's online. It's, you know, one on one, you can do these kind of things. Right? So being able to turn people directly back to you, being able to turn people to the insurance, when they come and say, have I know nothing about the insurance, plugging them into someone, who's an expert in the industry.

Jason Sleeman ([30:25](#)):

So for me it's almost you know, when someone already knows it, all that, that scares me a lot more when someone's like, I don't need any help, just gimme the money that, that scares me a lot more than someone coming and saying, Hey, you know, we, we, we don't know. Right. And what, what don't we know. And, and so even on the expansion, you know, I'm, I'm asking questions, like tell me who your insurance agent is. And when they tell me it's their local, you know, auto person who mainly insures autos, I'm like, wait a minute. Like, let me help you, you know, find some people. And so I think all of us that are involved at the level, you and I are involved in are, are more about educate and more about being able to make sure that they're successful than trying to push a deal across.

Jason Sleeman ([31:08](#)):

Right. There's been plenty of times where I've told someone, it's like, Hey, you, you need to wait six months or 12 months. Cause I, I have used this phrase a lot. And you know, I don't know this, a popular phrase is I don't wanna lend someone into bankruptcy. Right. So I don't want you to be border law line and we shove a deal through just because it, I, I, I want, I want to be able to tell you yes. But sometimes me telling you no is going to be the best thing cuz you know, that's important. So not, not knowing and, and being able to go through and say, Hey, look, if we do this for you, it's going to be a mistake. Let's do these three or four things and we'll get it there. Or just, you know, know I'm, I'm on Facebook all the time and like the brewer and plannings pages and just trying to add value. So for me, it's, it's the reason I came to this. It's it's the reason that I'm you know, in this specialized industry is to really kind of help educate and make sure that we're making smart decisions for the brewer owners.

Kary Shumway ([32:01](#)):

Great. So let's talk a bit about aid packages that may or may not still be out there, you know, we've come through there. It seems like every other day a new aid package was popping up and now it seems like it's pretty much dried up. Is that accurate? Are there other, what are you seeing right now relative to, you know, help financial help for breweries if they may need it.

Jason Sleeman ([32:26](#)):

So I think what you're seeing from a financial, so thinking back about kind of the assistance packages, you're really seeing that at a local level. So, you know, North Carolina through their Guild just announced to all their members that North Carolina has a restaurant relief package that they just released. And so I think what you're seeing is a lot less government like national government release, and you're starting to see a lot more state county, city municipalities. And so it's, you know, there are certain places where you're still able to get 'em but it's a lot more geographically limited to where it was before there. There's not just one blanket program out there anymore.

Kary Shumway (33:09):

So is that, would you recommend folks reach out to their local guilds and associations in that regard? Is that the places that,

Jason Sleeman (33:17):

Yeah, I, I, I think, I think if you were, were going out and trying to find it, you know, the, the local guilds are going to be important. Being able to kind of understand what those, those executive directors should be kind of plugged in you know, North Carolina is trying to actively tell people what what's out there. And, and you know, also just being able to kind of talk to the people within that industry, right? So if you're in a certain city, you know, be able to kind of talk to maybe that city leader, right. See if the talk to the mayor, talk to, you know, the city leaders, see if there's something at a local level you know, call the governor's office and see what the they're they're doing at the state. But, you know, the, the guilds should be a great resource for being able to find where that money is.

Kary Shumway (33:59):

That's. So if you look back over the last year or so, are there any examples that you have of like really interesting things that you've seen breweries do? I mean, this it's been so strange, you know, people have had to be creative with their businesses, but any examples of cool things going on or best practices that other breweries can learn from?

Jason Sleeman (34:20):

I, I would say the, the number one thing that I learned was how resilient brewery owners are, right? So this was we, we went and we have this hospitality industry and looked like it was going to crumble. And for the most part, everyone survived. And so, you know, it, it was interesting to watch. I think we're in a different spot within where some of the things that I saw, right. So we, we saw, you know, I, I think the birth of the curbside brewery really was something that I, I never thought I would see, but, you know, we I've talked to some breweries where they were literally standing out front, you know, taking an order running in, pulling a draft line, seeming crawlers, or, you know, doing, you know, literally calling back tanks out of, you know, kegs out of distribution, cuz they knew they were going to sell, weren't going to sell and then pumping those kegs back into draft and then getting them out.

Jason Sleeman (35:13):

And so, you know, the things that I think that we've seen that, that I think are still replica, you know, they're still applicable going forward. It is just the ability or just the thought that, you know, most breweries now are being very thoughtful about how they spend their money. Right? So from my side, what I'm seeing a lot of them do is sticking out and saying, Hey, if I can do X can I do Y and that gets me the same revenue, but gets me a cheaper, cheaper, gets me there a little bit cheaper. And so I think, you know, you're, you're seeing a lot on the financial side that, you know, is really important, but I also think,

you know, where, where we are continuing to see is that technology has become so important in the brewing industry, right? There's a lot of people who are not reliant they're they're, they now have, you know, line items for their web sales, right?

Jason Sleeman ([36:04](#)):

So someone, you know, logging in and saying, I want to do X to go, or I want to do, you know, the, these pieces and being able to understand that if they can continue to offer technology. I think one thing that you know, is continued and I think will always could be interesting is like the QR codes on the table, right? So the, Hey I'm going to order, I don't really have to go up and crowd the bar. And you'll bring me my beer. That, that seems to be something I think will continue to stay is that capability to serve your patron without having to form a line at a bar right in, and what are, what are some of those ways of that? And then the, the other thing that I think you know, has been really embraced and you know, some breweries will benefit from it more than others is the, you know, the online queues or online ordering platforms for bottle releases.

Jason Sleeman ([36:51](#)):

So instead of people lining up, you know, at eight o'clock in the morning, you know, being able to release it, you nine o'clock or midnight the bottle releases, and then knowing you can just come outta your leisure to do that. I think that also changes the game for both the collector, the consumer and the brewery from, from those pieces. So I think the technology is the biggest part that has come out of COVID and the pandemic that I think will continue to improve in it, be exciting to see going forward.

Kary Shumway ([37:21](#)):

So last question, before we kind of start to wrap up, I'm curious, where do you get your, your news and your information about the beer industry? Are there any particular websites, newsletters, subscriptions, anything, where do you, what's your kind of go to, you know, you, you wake up, you get the coffee, what are you, what are you reading

Jason Sleeman ([37:42](#)):

Each day? Yeah. So so I have actually set up a, a number of Google alerts. And so that, you know, I start, I start with the Google alerts and, and it's kind of interesting cuz it, you know, I've got a couple phrases, so I I've got, you know, my state and I've kind of got the surrounding states that are around. I've got the BA as a tag word. So the bruise association I've tagged expansion. So anything that's expansion is, is related. So I'm seeing what's going now. I, I will confess that normally. When I see that it's past when I would actually be able to do anything with it. Right. So I just, you know, it just helps me to understand what, where things are. But then there's so many you know, I think there's, you know, in my opinion, there is a ton of, you know, little things that I read.

Jason Sleeman ([38:31](#)):

So, you know, there's porch drinking out there. There's good beer hunting. I was trying to look at some of the other ones that I look craft, beer craft, brewing business bed net there's a place called absolute beer. So there's a lot of like little just bookmarks that I look and they may not have anything to do with the financial side. But it's usually just interesting to see what is someone releasing, what is going on with that. But you know, my good Google alert really seems to have done a good job. It's, you know, it kind of catches what I'm interested in. It also, you know, helps me kind of reach out to someone like, you know, Hey Kary, I saw this happening and thought that would be interesting. I think, you know, I've sent you a

couple things that I just kind of caught through there, but there there's, there's so much there I'll tell you in Georgia, I think we're really kind of beneficial.

Jason Sleeman ([39:18](#)):

There's a group called beer guys radio and they do their own podcasts. They do their own radio, but they also have a website. And one of the things that they do I think is pretty cool is they actually track like the new breweries and like the breweries and open. And so they talk about, you know, they, they recap that, you know, I, I actually just pulled it up right now. There were seven new breweries. It started in Georgia in 2016, but 2027 and 2020. And so being able to kind of have a, a resource that continues to track those things is, is, is fun to kind of watch the growth of the state. So

Kary Shumway ([39:54](#)):

Interesting. Oh, that those are great resources for folks to check out. Well, this has been really helpful, Jason, thanks so much. And I think, you know, getting us updated on what's going on in the market, what's going on in banking and financing, getting back to some of those fundamentals, I think could be really useful for people as well. So folks wanna get in touch with you or learn more about United community bank. What's the best way for them to do the that?

Jason Sleeman ([40:17](#)):

Yeah, so I we're trying to post a lot of content on LinkedIn, so you can find me on LinkedIn. It's Jason Sleeman on LinkedIn. Hopefully I come up pretty early. It should, it should not be that hard to figure out which one that's my profile. But if you, you look at me, my tag is actually brewery banker. So if you do that LinkedIn slash and I changed my name to brewery banker. So it's pretty easy to find it there. You can email me@jason\_sleemanucbi.com. And the easiest way to think about that is it's sleep man, but no P makes it pretty easy to remember. And then you know, I'm happy to take a phone on call or be on Facebook or anything like that. So it's, hopefully I've made myself easy to find but probably the most place I'm putting all my contact now is I on LinkedIn?

Kary Shumway ([41:07](#)):

Excellent. All right. So this is your brewery banker, send him your questions, as he said it's never too early to reach out to your banker. As soon as that thought comes in your mind, I wanna start up a brewery, talk to Jason. He can help you out, but, and you know, you, you made a great point earlier. I meant to, to, to bring this up was, you know, building out that team of professionals can be so important. Cuz what I find is a lot of folks wanna just kind of do it themselves. They'll bootstrap it, which is fine. But sometimes you can really jump the learning curve. If you have people who are professionals in these specific areas that you'd mentioned, you know, a, a beer CPA, a banker an insurance broker that understands the B you know, all of these things, you're going to have to do these eventually. So you don't wanna kind of cobble it together. So it's better. It's kind of better to do it up front and then get some, get some help in that process rather than, you know, just hoping you can find it online, Googling it or having somebody give you a referral. So I, I think that's a great point is starting with someone like yourself, not just for the financing, but for all of, of the other things that go with putting a business together.

Jason Sleeman ([42:16](#)):

Yeah. I, I feel like one day I'll have accomplished it when I get calls and they say, well, I don't really need financing, but I need to talk to Kary, how do I get in touch with Kary? That's really what that's, what I'm

looking for is to be able to be a, a general resource where I get calls for, you know, CPA financial education, the real estate part of it. And later on in life, I get pulled in for financing. But right now that wasn't really need that, that that'll show that I'm actually starting to make an impact.

Kary Shumway ([42:41](#)):

There you go. That's the marker of success. Jason, thanks so much. Great talking to you.

Jason Sleeman ([42:45](#)):

Thanks Kary.

Kary Shumway ([42:48](#)):

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