

# **Distribution: Laying the Groundwork New Territory and POS**

**by Laura Lodge, Distribution Insight**

Preparing for distribution is critical to maximizing a successful distribution partnership. In previous Distribution articles we covered the importance of creating a compelling identity – or brand – for your brewery. In the last issue we started working through financing the business expansion necessary for distribution, beginning with scaling up production and package design. Once you have your arms around these internal expenses, prepare to reach outside of the brewery to the new territory.

How will you get your beer to other areas? Taking the time at this point to look at transportation will allow you to speak knowledgeably with your potential distributors about cost efficiency. Review trucking, and reach out beyond to possible coordination using other methods of transportation, such as railroad. Look to see if there are transportation hubs in your area, and perhaps talk to fellow local brewers to find out if there are already coordinated transportation efforts going on that you could join.

Move your thoughts to your future initial territory. How are you going to support this area from a personnel standpoint? There are two basic ways to provide support: a new sales position based in the new territory, and assigning this coverage to an existing staff member. Either approach requires additional expenses with regard to travel, training, and time.

Both a new employee and an existing staff member with an additional territory will need time to train. A new position requires advertising, interviewing, hiring, and brewery/brand immersion. For someone already on your team, these steps can be bypassed in favor of learning their way around in the new territory and doing a lot of research. Both will need to travel back and forth to the brewery in the process, and both require time to be comfortable and ready.

Marketing in the new territory will require a fresh look at your packaging and your supply of POS (point of sale). Think about how distributors, retailers, and the end consumer will be looking at your packaging.

The distributor will almost always be looking at the case box – outside packaging – for the beer, as will the retailer until it goes on the shelf. Ensure that your packaging identifies the brewery name and brand (specific product) name at every level on all sides of the packaging; keg, case,

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12pk, 6pk, 4pk, bottle. You must be able to identify the brewery & the beer from a box that is stored 3 levels up on pallet racking in the warehouse and in deep stacks in the retailer's cooler.

If you have approved warm storage, you will also want your case boxes to be appealing for floor displays within the liquor store, which will often include closed cases as well as 6pks and 12pks as part of the presentation.

POS is essential to both a territory roll out and to consistently supporting your distributor and brewery sales team members. POS helps to sell your beer in different ways: informational sell-sheets, shelf-talkers, and posters educate the distribution staff, the retailer, and the end consumer, while brewery logo items including stickers, banners, bottle openers, t-shirts, golf-shirts, tin tackers, hats, neons, camping chairs, and other larger items simply provide branding visibility and increase awareness of your brewery in all locations. When thinking about POS, also think about which items you will provide to the distributor at no charge, and which you will share the cost with them.



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*As the author of Distribution Insight for the Craft Brewer, Laura shares her experience with distribution on the Western Slope of Colorado for the benefit of brewers everywhere. A veteran of the craft beer industry, she is also the Owner of Customized Craft Beer Programs, designing events, resort retail programs, and educational programs based on craft beer.*