

WA Beer Commission Strategic Planning Retreat

October 29, 2013: Edmonds Conference Center

Present: Eric Radovich, Matt Russell, Allen Rhoades, Kate Hedstrom, Heather McClung, Roger Bialous, Pat Ringe, Drew Cluley, Matt Lincecum, Ed Bennett, Shelby XX, Patrice XX

Meeting called to order at 1:00pm

State of WBC – Eric Radovich

Assessments

- Looked at history of assessments collected, thinking about raising charter so Patrice is going to look into possibilities. In 2013 the Commission collected \$19,267.
- Compared assessments collected by all state commodity commissions. Wine commission charges \$.08 of wine per gallon produced with no cap, they make almost 4.5 million in assessments.

Washington Brewers Festival

- Compared past 6 years of profits and expense for the event at both St. Edwards and Marymoor Park.
- 2013 had a \$243,776 expense and \$196,909 profit.

Other Festivals

- The Commission net \$46,000 from all other festivals in 2013

Percentage of proceeds 2013

- WBF: 75%, Other Festivals: 18%, Assessments 7%

Overall Financials

- 2013: \$93,000 proceeds, \$70,000 marketing/promotions

Marketing the WA Beer Brand – What is the message?

- Played KEXP and CW11 ads to show the message we're using now
 - We have been starting to focus on local, community, etc. with CW11
- Sherry Jennings discussed her background and experience on marketing committee. Expressed need to use stories and voice strategically as the industry has a great one. We need to have an integrated approach to telling our stories.
- We need to decide: Who do we want to speak to? What's the WA beer message? Be provincial in that hops are coming from WA, leverage power with messaging?
- Matt suggested that focusing on hyper local isn't the way, but to tell stories of breweries, hops farmer, grain farmers, etc would be effective.

Ideas and Discussion:

- Supermarkets might be someone we want to talk to for WA Beer promotion, the marketing committee could be tasked with providing tools for grocery stores, etc. Is it legal? Can the beer commission get displays set up in grocery stores? One issue is that it would be an enormous undertaking and would be distributor specific and non-inclusive to WA Beer.
- The foodie is also the craft beer drinker, higher class grocery store would be the focus for endcaps, etc.

- Communicate with consumers to change demand in bars, restaurants.
- Bumper sticker idea: Support local breweries, drink wa beer
- Growlers, social media ads, magnets, beer dinners, chefs collaborative (matt explained – not to market but to educate and influence choices)
- Sherry wants to fund content marketing and to make our website the place people go to read about WA beer stories
- Messages: support local breweries, buy WA beer
- Need to use both social media and traditional media advertising
- Marketing committee needs to look at budget, who is the audience, how much should we spend on traditional, etc., figure out our voice, maybe hire social media employee
- Adding stories to current phone app
- We need to figure out a way to engage all the smaller breweries who feel their brewery is lost in the commission. We could pay someone to go around and take videos to put on the website or social media page

Final Thoughts

Directive for marketing committee: local, storytelling, content generation “support local breweries, drink Washington beer”, develop strategy, include hops, grains and water, “be local, drink Washington beer”, geocache, “when you order a Washington beer, you’re supporting...”

In depth overview of the WBC budget and festival operations

Belgianfest

- Last year had an attendance of almost 2,000 people. This year moving to a larger space, focusing more on food and beer pairings, looking to grow this event, possibly adding Friday night
- This year should make around \$24,000 from \$17,000 last year

Washington Brewer’s Festival

- Growth is endless, we really don’t spend that much money on the festival and continue to make more money every year. This year will be same location with a larger footprint, will be fixing crowd control issues with lines, if we add another 4,000 attendees it is another \$100,000 income.
- Discussed OBF and the differences between the two festivals.
- This year: 74 breweries, next year will be 90. More food trucks this year, changed layout a bit and stretched things out, kids area worked out well, there were some issues in the lines to get in, we have ideas as to how to fix that for next year

Bremerton Summer Brewfest

- This was the third annual event there, we were originally invited by the mayor to help bring people to downtown Bremerton. Made \$33,000 the first year, barely broken even second year, \$9,374 this year.

-Attendance seems to stick right around 3,000 in all these small events – something for the Commission to discuss if we should move these small festivals around the state.

-Matt and Allen both feel we need to stay put and invest in the relationships in these small communities. Put more effort into making Bremerton a Seattle-extension festival. Maybe add in discounted package: ferry, hotel, food, etc.

Everett Craft Beer Festival

- Weather wasn't great, and renting fencing for the street is one of our biggest expenses, not a great ambiance, potentially looking at a different venue in a park.
- Will work with the festival committee in the future on that idea.
- Budgeted to make \$11,000, made \$6,500 and were about 400 people short of our goal attendance

Inland NW Craft Beer Festival

- Will lose about \$12,000, worst weather we've had at an event, our presale was up and we were expecting big growth this year.
- This event is well worth doing, Matt Lincecum noted that as horrible as the weather was, people came and stayed and had a blast so it was a success in that way.

Winter Beer Festival

- The budget was written before decision to move to Hanger 30, it made \$27,000 last year and we wrote a similar budget but now am hoping to made \$40,000.
- This year will have 50 breweries, had to turn away 6, space is 20,000 sq ft, there will be a WABL anniversary lounge instead of anniversary party, food trucks in parking lot, Theo chocolate, oysters and more.
- The hanger is still under construction, there is heat, new lights, every brewery gets a 6ft table to decorate. Will be two sessions and at least 1,000 per session.
- Attendance at Hales was about 1,500 for both days and will absolutely double this year. Spending more on marketing.

For future festivals, look into a draft trailer or something that allows smaller breweries to come to festivals like Spokane or state fairs. Put a WA Beer ad on it.

WABL

- Was originally making money for Guild, but is now just breaking even. Currently negative but have pre-purchased merchandise and will probably sign up another 400 members .
- Matt L. questioned whether offering WABL members a discount is legal and recommended we get an email from the State that confirms it is legal to do so.

Overall Budget

65,843 in our account

Commission Powers and Duties RCW 15.89.070

- Reviewed document written in 2011 to refresh and noted that we need to look at these in more details in our future Commission meetings and reword as needed.
- Sponsor festivals, we need clarification on what that means towards our 12 festivals, are we able to expand the number?

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-Patrice mentioned #7: Promote WA beer by conducting unique beer tastings without charge, change to "with our without charge". This will allow us to attend other festivals.

-Eric suggested the he and Matt Lincecum get together to draft the verbage changes to RCW to present to commission in order to fully take advantage of the law.

-Matt wants a current temp on the liquor control board, who is on the board, and maybe we can use TK to get a sense of current culture makeup. Patrice suggested we ask them to come to a meeting and ask them to explain what they're up to.

Commission Board Development

-How do we keep commissioners engaged? One idea was to get a centralized meeting location and purchase the technology to do so. It was agreed that the members who don't come are really busy, but it's not acceptable.

-Matt Lincecum thinks we should ask if they want to continue to serve because there are rules of engagement and we could ask our director to tell them to step down.

-Allen thinks we need to give them a technical opportunity to attend and then if we are not given participation, they need to step down. They need to know ahead of time that we're seeking participation and if they can't make it, they need to make room for someone else because there are many people interested in serving.

-The Commission must purchase the tools to give to every commissioner so they have a fair chance to be at meetings and they will return it after their term. We have the money to do it.

-There are 6 meetings and 1 retreat per year, they cannot miss more than 2 meetings.

-The question was raised if there is there an office center that we could rent for technology purposes in case the Shoreline office does not have the resources?

Wrap-Up

-Allen reiterated that Eric and Radovich Communications is the best current solution to the Guild's search for an ED, especially to make him an interim and he would be able to help search for the ED. The question is if it is legal, it should be since Eric is a contractor and is allowed to take on other work.

-Eric offered to work on the infrastructure, accounting, administrative side and then the Guild could find an Olympia employee to focus on lobbying efforts.

-Eric passed out a Crisis Communication sheet that he'd like to talk about at a future meeting.

Thank you to Roger, Heather, Drew and Guild Exec board for attending and contributing to the meeting.

Meeting Concluded at 4:15

Minutes recorded by Kate Hedstrom