

**A**s my mentor once defined the spirits business: “It is a great business, once you make it.” As a fifth generation distiller, I have a heartfelt respect for fellow entrepreneurs pursuing their passion and dream in the distilling business. There is truly no better business. However, I am genuinely concerned that there are a lot of new distilleries that will not be around after a few years, and not because there are a lack of opportunities or no space for them to exist. While that may be a fair and easy assessment for any industry, I believe the biggest reason most distilleries fail is because too many owners focus solely within the confines of the walls of the distillery. In theory, our industry is very simple thanks to the three-tier system: as a distiller you make a product and sell it to a distributor who sells it to the retailer. The reality is that there is a very complicated formula for success in the spirits world. While I, too, love shiny copper, unfortunately it takes a lot more than a pretty still and a personal passion to create and sustain a successful business.

I would like to really encourage you to put yourself in the shoes of your distributor, retailers, and, of course, end consumers. While you and I may love your story and passion, consumers need to know and get more than that. Variables such as your origins, why you entered the business, and that you are “local”, (and a slew of others), are not enough for everyone in the rest of the channel to care. You also must provide real value to the trade. How long do we all think it will be before consumers look past the cache of new entrants and start comparing the price of a 10-year old whiskey at \$30 from a highly regarded, established distillery, to that of a typical

\$50 price for a 2-year old version from a micro producer? At a certain point this is not a real value to the consumer.

So what is the answer? One of the greatest things that the emergence of micro-distilleries has brought about is that it has challenged the mindset of tradition. It is my opinion that it is vital that you create defensible positions based on things that people can care about and genuinely identify with. Creating a truly unique combination of every variable you can control is vital to your success. Grain bills, flavors and flavor types are just the beginning. Branding, packaging, and even how your product is consumed are all components to which you must also designate extensive effort to. All of this must be coupled with significant effort and capital in sales and marketing activities in kind. In short, you should put just

**BE**  
**BOLD**  
**BE**

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*different*

as much thought and capital into every variable that will take place outside of the distillery as those inside of it. Distributors are constantly bombarded on a daily basis to represent new products. Retailers are physically forced to pick and choose what they will carry, and then often receive various incentives for choosing the ones that they do. Our dear consumers are even at a greater risk, as they often do not have the time, capacity, and/or interest to research and find out about you. It is vital that you have the resources to directly communicate with

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each member within the channel. Brands that do not leverage these relationships rarely succeed. This is why we can point out beautiful esoteric products that have disappeared, and then shudder when someone orders the number one category seller in their cocktail. Make no mistake, this is rarely a coincidence. If capital cannot be adequately dedicated to both sides of the “wall”, it is much better for you to explore a contract arrangement for your production. This will allow you to still produce a product as you see fit, but also give it the opportunity to succeed.

Now let me be clear that I am not suggesting smoke and mirrors. I am all about authenticity. There can be nothing more damaging to the artisan movement than distillers who do not take responsibility by producing quality products or intend to mislead consumers. To some degree, all artisan producers represent each other. If a consumer ventures out from their name brand go-to in order to try an artisan version of that category, and have a bad experience, the likelihood of them trying another artisan product is greatly diminished. The same holds true if one of our colleagues misleads the consumer about their methods of production or source of ingredients.

Lastly, it is just as important to be honest with yourself. This business is very tough and requires significant capital. Take the time to do it right in all of its aspects. If you rush your label design, people will see it. If you rush your formulations, people will taste it. You never want to look back in regret and wish you had made more of an effort or had a little more capital. There are simply too many other options from which consumers to choose from. Give consumers a reason to want to talk about and try your brand. Give them a reason why they cannot use anything else in its place. Have a position that it is only your brand that they can identify with.

I will leave you with one simple way to start to differentiate your brand. Make a conscious effort to support American made products and companies. There is nothing more disappointing to me than when I see a brand wrapped in the American flag and touting they are an “American spirit”, but then source their packaging from overseas. I fully acknowledge American made is not always an option nor worthy, and rarely the cheapest. However, this simple position already separates you significantly from lots of other offerings, and speaks to many consumers on a very personal level. As my grandfather, himself a distiller, used to say: “Buy-buy American, or it’s bye-bye America!” 🇺🇸

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