

SMALL BATCH STANDARD HELPS SOUTHERN GRIST BREWING COMPANY BENCHMARK THEIR PERFORMANCE AND SET THE STAGE FOR GROWTH



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JAMIE LEE

Co-Founder and CFO, Southern Grist Brewing Company

THE CLIENT

Southern Grist Brewing Company

Southern Grist Brewing Company is one of the American South's hottest, up-and-coming craft breweries operating two taproom locations out of Nashville, Tennessee. When Jamie Lee, Southern Grist's CFO, and his two co-founders started the company in 2016, they set some modest goals for their first year. Within just six months, they'd served 100,000 beers.

THE CHALLENGE

Benchmarking To Plan for The Future

Like most other craft breweries across the U.S., the unique challenges presented in 2020 forced Southern Grist's leadership to take stock of their financial performance and future potential. So when Jamie, responsible for the day-to-day financial execution of the business, wanted to determine if they were on the right path forward, he reached out to the team at Small Batch Standard for help.



Southern Grist
BREWING CO

Southern Grist Brewing Company is a Nashville, Tennessee, based craft brewery serving unique, out-of-the-box beers from their two vibrant taprooms.

They were recently featured in Forbes Magazine as one of the American South's Best Craft Breweries and are dedicated to pushing the boundaries of craft beer.

HIGHLIGHTS

CHALLENGES

- x Needed to take stock of financial performance
- x Wanted to know if they were on the right path forward
- x Looked for specific expert guidance rather than broad advice

SOLUTION

- x Engaged Small Batch Standard for a Brewery Benchmarks Assessment
- x Analyzed finance, taproom, operations, distribution, and leadership performance
- x Provided custom findings and recommendations for profit and growth

RESULTS

- x Reassurance and third-party validation of their performance
- x Financial tracking recommendations to increase visibility and profit
- x Clarity on business direction for 2020 and beyond
- x Momentum for future growth

THE CHALLENGE

“Our business provides a livelihood for 20 plus people. Not only ourselves, but our employees and their families. And there was a lot on the line to make sure that however we moved forward was the right path forward. So we engaged Small Batch Standard because we were looking to see how we compared and contrasted to other breweries.”

While the everyday numbers were under control, Jamie wanted a clear-eyed assessment of their financial position and performance from an unbiased, expert perspective. And Small Batch Standard’s *Brewery Benchmarks Assessment* service seemed like the perfect fit to bring their experience, data set, and benchmarks to the table.



NAMED ONE OF THE
BEST BREWERIES
IN THE AMERICAN SOUTH

Forbes Magazine

THE SOLUTION

An Apples-To-Apples Comparison Paired With Expert Insight

After initiating the Brewery Benchmarks Assessment process, the Small Batch Standard team collected information across the five key functions of the brewery: finance, taproom, operations, distribution and leadership.

Through an intake process developed to uncover critical details and insights, they were able then to interpret Southern Grist’s numbers as well as uncover additional context surrounding the brewery’s history, growth trajectory, local market, current issues and decisions, and ultimate vision.



THE SOLUTION

From there, the SBS team ran the brewery's numbers against their best practice benchmarks and data set, distilled from working with 100+ craft breweries over the past decade.

“The data that is publicly available is generally from much larger breweries. So it's not a good apples to apples comparison. Instead, they took our financial data, analyzed it, and ran it against the data they already had in-house. Small Batch Standard was able to then really tell us where we stand with respect to other breweries that are in our weight class.

Then we did a one hour phone call in order to assess whether things were green, yellow, or red based on that historical data. I appreciated that it was easily decipherable. It was also easy to understand the source of the work that they performed, so if I wanted to go and validate something I could.”

As a result of the assessment, Chris and his team were able to deliver a set of specific, objective findings and recommendations for Southern Grist to act on.

In addition to the hard data comparison, the assessment was further complemented by a review of their overall business goals and long term trajectory.



“It was refreshing to have another set of eyes look at the data and provide some recommendations that we weren't thinking about, which was great. For example, we were looking at COGS incorrectly and so one of their points of feedback was to go figure out how to look at that with a standardized definition. That was a big one from a financial metric perspective.”



THE SOLUTION



They called out — and I think we knew this too — that our next steps are unclear. And so I think it just further highlighted the fact that we have to have those discussions sooner rather than later, so that we're putting ourselves on a three to five year plan, whatever that looks like. We were so busy growing the business to the point we've gotten it, that now we can invest the time in the future goals."



For Jamie, the outcomes were a litmus test for Southern Grist to understand how they were doing, where they could improve, and what the future could look like.

THE RESULT

Peace of Mind With Clarity And Momentum for Growth

The assessment as a whole provided the reassurance that comes from a third-party validation of their business performance and a confirmation of their strong financial position in the midst of an uncertain market.



They helped us determine if we were in a good position financially, especially during the coronavirus pandemic. We were able to take a step back and figure out how we pivoted the business during these weird times. And it was a litmus test to understand, 'Are we doing good? Are we doing okay? Where can we improve?'"



The most valuable output of the exercise; however, was the momentum that came as a result. After completing the Brewery Benchmarks Assessment, Southern Grist now has the confidence to not only finish out the year strong, but look ahead to 2021 and beyond – planning, investing, and laying the groundwork for the future.

It's led to creating some momentum, investing and ensuring we're looking at the business the way we want to. We intend to take the assessment and turn that into a workable plan, with some items that we'll execute again in the second half of this year in order to put ourselves in a great position to continue growing the business in 2021."



It felt great to have them run our data and say we were doing a good job. Chris and Tom are also very knowledgeable about the beer industry and ultimately provided great insights as an output of the entire exercise.

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NAMED ONE OF THE
15 BEST BREWERIES
 OF 2018

Hop Culture



Small Batch Standard was able to really tell us where we stand with respect to other breweries in our weight class.”

Small Batch

— STANDARD —

READY TO EXPLORE WHETHER

SMALL BATCH STANDARD

CAN HELP YOUR BREWERY?

Schedule a short exploratory call with the SBS team to learn more about our *Brewery Benchmarks Assessment* process.

REQUEST A CALL WITH SMALL BATCH STANDARD