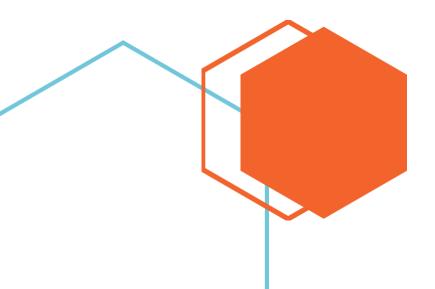


Organizational Tips n Tricks

A strong and unified state brewers guild serves as an effective voice in promoting the interests of all brewers in the state. Whether promoting local beer or fighting for favorable laws and lower excise tax rates, the collective effort of a state trade association has far more impact than that of an individual brewery business alone.

The goal of this guide is to lend insights on organizational nonprofit management on a variety of topics. It is not the authority on guild management. Please consult a lawyer on issues of legal concern.





Brewers Guild Management

What You'll Find in this Guide

Structure

This chapter describes common structural aspects of a state guild. See examples of the duties taken on by each role or committee as well as instructions for holding elections and appointing different roles within the guild.

Fundraising

Funding a guild through membership dues, fundraising and grants is essential to keep the organization running, and vital for protecting the state's brewing community. To help keep dues low, guilds often pursue multiple funding sources.

Dues/Membership

Guild dues and membership tiers are set by the board of directors and the structure can vary from state to state. In this chapter we explore different guild structures and take a look at different membership category dues across the nation to help the guild organize.

Industry Defense

The importance of establishing relationships with state and federal representatives and their staff cannot be underestimated. Brewers guilds have a collective voice which should be heard on state and national issues of craft brewing importance.

Promotion

The promotion of a state guild is essential to its success. Social media and a simple well-maintained website are a great start for any guild promotion program. This chapter also explores traditional media outreach options including and festival participation including the Protect Craft Guilds Pavilion at the Great America Beer Festival®.

First: Consult a Lawyer

This is by no means the authority to non-profit management. There are associations and law firms and oceans of resources online regarding how to start and manage nonprofit organizations.

This is simply a collection of common best practices in brewers guild management.

All content and resources originated from best practices of guilds across the country, the ASAE, and other nonprofit support orgs.

Please send feedback and questions to the contact on the back page.

Member Education

The rapidly developing craft industry has brought an acute awareness of the need for industry education. In some states, this has resulted in guild education opportunities, including technical conferences and seminars for craft beer business professionals. This chapter outlines opportunities that support industry knowledge advancement.

What You Will NOT Find in this Guide

Legal Advice

How to Start a Guild

In the U.S., all 50 states have some form of state brewers guild or association. For those looking to start regional promotional guilds, or an association internationally, please contact the BA for more information.

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Nonprofit Brewers Guilds

Brewers guilds / associations are registered as 501(c)6 nonprofit trade organizations formed to provide an effective, united voice for protecting and promoting the interests of brewers in a given state or region. In the U.S., all 50 states have some form of brewers guild. Many states also have regional or city-based guilds, often 501(c)3s for IRS purposes, organized to address local issues and pursue promotional endeavors.

Guilds stand at the front lines of a powerful and organized movement to promote and successfully implement, protect, and maintain beer policies at the state and federal levels. They function each day to ensure the protections necessary to fairly license, regulate, tax, and enforce the legal sale of beer in a safe and beneficial way within their local communities. A single, unified state brewers guild is the most effective means to engage on alcohol beverage issues at the state capital.

Whether promoting local beer or advocating for favorable laws and lower excise tax rates, the collective voice of a guild can speak louder than that of individual brewers alone. Guilds host festivals and city or state beer weeks to bring awareness to consumers and sponsor educational conferences to provide professional development and networking opportunities for breweries of all sizes.

For brewery owners, joining the membership ranks of a state brewers guild is essential in today's rapidly changing world in protecting and maintaining a brewery business, and livelihood. For enthusiasts, retailers, wholesalers, and other allied industry partners, joining the state brewers guild supports important business and community relationships and in turn, the success of the guild and local independent brewery businesses.

Find each state's guild contact information on our Find-a-Guild page at BrewersAssociation.org.

Developed to assist state or regional guilds in formalizing and managing their nonprofit organization, this guide outlines considerations related to organizational management and governance.

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Structure

Developing leadership within the guild often means starting a steering committee which then forms a board of directors and other officers. To support this small group of volunteers, committees and task forces can be established to carry out the goals of the association.

It is vital for every guild to eventually hire paid staff, which often includes an executive director, operations manager, coordinator, or other such role. This person reports to the board and is dedicated to managing the guild's organizational activity.

Steering Committee

A steering committee oversees initial work until a board of directors can be elected by the membership. This group often comprised of a few motivated individuals who are interested in organizing the guild and willing to shoulder the weight of bringing parties together to create this formal structure. From the steering committee, a process of nominations and voting for the board can be established.

Overview of Craft Brewers Guild Roles & Structure

Governance: the guild is governed by the membership through an elected board of directors and supported by committees and task forces. <u>BoardSource.org</u> has excellent tips on recommended governance practices.

Members: Defined in the guild's bylaws, multiple tiers of membership diversify the organization's fundraising and knowledge source streams. Voting members are often defined as breweries who hold a TTB notice, meet specific production criteria, and actually brew beer. Attend applicable meetings, voice opinions, vote on leadership annually and as allowed in member category, attend & support applicable guild-produced events, sit on a committee if desired, assist in the efforts of the guild with ideas, connections, & resources. Read more in the Membership chapter.

Board of Directors: The compass of the organization. The board of directors are the fiduciaries responsible for directing the guild's future through sound, sustainable and legal governance and fiscal management. Board members are volunteers that are also responsible for ensuring the guild has the proper resources to advance the mission. The board consists of an executive committee and occasionally directors-at-large. Read more on CouncilofNonProfits.org.

Executive Committee: The executive committee consists of the officers of the organization:

 President – Lead guild. Preside at all membership & leadership meetings. Document & check signer. Main employee contact & oversight.

- Vice-President Assist president. Perform the duties of the president in the absence of the president.
- Secretary Watchdog of & helper to employee in charge meetings or take over duties in the absence of an employee. Bylaws & legal oversight.
- Treasurer Watchdog of & helper to employee/committee in charge of financial accounting. Receive duplicate copy of financial statements. Consider & implement leadership approved investments. Check signer. Oversee finances on event days. Should be a person with financial knowledge.

Board Members at Large: Attend all membership & leadership meetings. Main voting group on applicable initiatives.

Committees: All committees have a board member designated as a board liaison and a staff liaison within the guild. See common committees below.

Employees: lead is often a Guild Executive Director or Operations Manager. Additional staff are often hired to support. Responsible for executing everything necessary to meet the mission. This includes developing programs, budgets, building the annual calendar, meeting scheduling/reminders/organizing, running meetings, coordinating subcontractors, basic organizational accounting & bill pay, communications, membership development and support, fundraising, event management, lobbying and more. Reports to guild board/leadership.

Other helpful staff and contracted support for guilds include:

- Associate Director or Operations Manager
- Events & Marketing Manager
- Membership/ Communications Manager
- Business Development Coordinator
- Lobbyist
- Lawyer
- Accountant

Regional Chapters: Members may additionally affiliate with the association through membership in regional guilds organized for promotional purposes if available. Chapter organization is patterned similar to the state guild to assure continuity and to maintains their own nonprofit status, most commonly 501(c)3, not 501(c)6 lobbying organizations.

Structure, In Detail

Board of Directors (BOD) and Officers

The BOD should be elected by a vote of all brewery members with representatives from breweries of all sizes. The BOD is generally between 5-9 people and is most often composed of brewers and owners. Because most guilds do not start with a paid staff, your BOD is a very important group. These are the people who will do the bulk of the work in organizing events and programs until a paid staff is hired.

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Officers, such as president and vice president, will then be elected from within the BOD. You may also want to elect a secretary (responsible for taking meeting minutes and communicating the BOD's work to the membership) and a treasurer.

Beyond your BOD, you may want to consider forming committees to handle programs and projects like recruitment and government affairs.

Executive Directors

To assist you with hiring an executive director, we've created a document that provides a blueprint for finding the right candidate for your guild. Based on the input of a few state guild directors, this document outlines the duties guilds often perform through the year. Please note, if you are going to have any paid guild staff, there are additional paperwork requirements that you will need to learn about by contacting your state's Department of Revenue. Most guilds hire executive directors as independent contractors.

The search for an executive director by its very nature provides the guild's BOD with a chance to reassess the guild as a whole and to reevaluate its needs, goals, strengths and challenges. Hiring an executive director is one of the most important actions that a guild takes. The board is dependent on the director for day-to-day operations to achieve the guild's purposes and objectives within the limitations of its budget. This is not an easy task to accomplish, year after year!

In addition, the working relationship between the director and the board, owners, brewers, promoters, affiliate members, sponsors, state associations and other agencies can significantly influence the guild's effectiveness and reputation in the community.

Hiring a director is a similar process to hiring a staff member for your brewery. You'll organize the hiring committee, create a duties/job description document, outline the profile of your ideal candidate, advertise the position, qualify your prospects, gather references, interview candidates, select your finalist, make the offer and start the work.

Numerous guilds have found that they already have an outstanding prospect without going through a formal search. Keep your eye out for these folks—sometimes they already promote the festivals you've attended or come recommended by someone in the industry.

It is imperative that state guilds remain strong and unified in order to promote and protect the small brewer interests in each state, and to elevate the greater community of the nation's brewers. If you find that important industry or guild opportunities are slipping by, meetings are no longer being held, or administrative tasks are being neglected within your association, perhaps it's time to discuss the hiring of paid staff support.

Sample job descriptions for multiple guild staff positions available upon request.

Committees

Just as every board is unique, every board's committee structure is unique too. Guilds often have the same committee structure from year to year with little thought given as to what the committees do or whether they are still relevant to the organization. As a result, the committees have vague objectives, committee meetings are often endless discussions with no work achieved, and the members of the committees become bored or frustrated.

Organizations should avoid the temptation to form too many committees. To be effective (and to avoid burnout), board members should generally not serve on more than two committees.

Each committee is chaired by a member of the BOD. The bulk of the board's work should be done through its standing committees. Many guilds have the following standing committees:

Executive: Oversee operations of the board; often acts on behalf of the board during on-demand activities that occur between meetings, and these acts are later presented for full board review; comprised of board chair, other officers and/or committee chairs (or sometimes just the officers, although this might be too small); often performs evaluation of executive director.

Finance: Oversees development of the budget; ensures accurate tracking/monitoring/accountability for funds; ensures adequate financial controls; often led by the board treasurer; reviews major grants and associated terms.

Governance: As a general rule, the Governance Committee would be responsible for board recruitment, orientation of new board members, board assessment, and board management.

Legislative: Monitor and assure a healthy brewing industry within the state by developing and articulating to the industry a consensus from within org membership as it relates to regulatory, legislative and governmental affairs.

Fundraising/Sponsorship: Oversees development and implementation of the Fundraising Plan; identifies and solicits funds from external sources of support.

Marketing: Oversees development and implementation of the Marketing Plan, including identifying potential markets, their needs, how to meet those needs with products/services/programs, and how to promote/sell the programs.

Events: Plans and coordinates major events, such as fundraising, beer weeks, technical conferences, annual meeting, etc.

Membership: Develops criteria for membership, overseeing elections, and developing and delivering programs/benefits for the members. Membership Committees usually keep closely connected to the guild's membership and work with the staff to identify and develop programs that meet the changing needs of the membership.

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Sustainability: Determine and reduce the environmental footprint of brewing in the state, engage brewers, share best practices that drive resource efficiency and waste reduction, create strategic partnerships with state policy makers, identify potential sources of sustainability related tax and business credits.

Diversity: Bring together members of the state's brewing community who are engaged in diversity outreach initiatives. Establish strategic objectives related to increasing underrepresented minority participation in all things craft beer. Discuss, communicate and create collaborations in ongoing and upcoming initiatives and events that support the goal of enhancing the environment for diversity, inclusion and equity across the state's beer industry.

Technical/Safety: Determines and recommends solutions regarding pipeline and/or safety technical issues specific to the brewing industry.

Nominations: Identifies needed board member skills, suggests potential members and orients new members; sometimes a subcommittee of the Board Development Committee.

Public Relations: Represents the organization to the community; enhances the organization's brand & image, including communications with the press.

A board does not always need to add new committees to get its work done, nor must committee members always be members of the board. A **task force** can be formed if there is an objective that can be achieved in a relatively short period of time. Special events planning or analyzing a proposed merger are examples of work that can be handled by task forces. **Advisory councils** assist boards in carrying out their work by providing expertise and advice in selected areas. Advisory councils do not have any governance responsibilities and are a good way to include former board members, potential board members, subject matter experts, and others in the work of the board without placing them on the board. Not every volunteer makes a good board member. Sometimes a task force or advisory council is a better use of the volunteer's talent, experience and time.

If the committee structure has not been revisited in a few years, the board should consider looking at the current committee structure and what the committees actually do. If there are overlapping responsibilities or no work being done, then it is time to realign the committee structure.

Fundraising

In order to ensure organizational sustainability within an ever-evolving industry, state brewers associations ("guilds") must diversify their fundraising portfolio. Reducing reliance on membership dues and expanding sources of income through new programs, resources, and services can increase member ROI, and boost member engagement.

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Raising revenue is one of many incredibly important financial aspects of running any nonprofit. Equally important are finding savings and cost-efficiencies, managing cashflow, making the most of very little, and managing risk to reduce fiscal threat. This is not to suggest revenue is the only piece of organizational stability and sustainability. Member-based trade organizations must increase their bottom line in every possible imaginable way in order to deliver on their missions. Following are resourceful ways to approach increasing revenue.

We add ideas as they come, and always ask that if you have an idea not represented here, please share!

Let's start with the obvious: members are the heart and purpose of the organization; they are key cause and beneficiaries of the guild's mission. Read more ideas about engaging in various fundraising activities through membership in the MEMBERSHIP Chapter... these are all nondues fundraising options.

Obligatory disclaimer: be aware of your state laws – some of these ideas may not be legal in your state.

Festivals: This is the largest earning source for many guilds. Unfortunately, if not done successfully, it can leave the guild in bankruptcy. Guild-sponsored events are not a way to raise a lot of money immediately. However, they can be a part of your strategic funding plan to cultivate future fundraising and boost the profile of craft beer in your community.

Once guilds have learned what works and what doesn't for local event offerings, and carefully constructed of a strong event program, festivals commonly become a guild's number one source of funding. Unfortunately, one bad event can raise red flags for craft breweries and our highly regulated industry. Events involving alcohol of any type must be consciously planned and executed with the utmost competence, or the result could be detrimental.

If the guild is not yet established enough host a festival, consider engaging festival promoters that are asking for beer donations – request they make a reciprocal donation to the non-profit guild, through a percent of ticket sales or profits, etc. Partnering with local chambers of commerce or other local government entities, or other nonprofits, has also been met with success for guild fundraising.

The checklist of best practices for hosting a major fundraising festival (below) was created by our award-winning events team and leaders from guilds nationwide. This document is not meant to be all-encompassing, but it is an excellent starting point to help you put on a guild event that elevates craft beer in your state, shines positive light on your guild's brand and promotes the guild's craft brewery member businesses.

Resources: Event planning checklist, Event Compliance Considerations, Hotel Block Tips

Emergency Action Plans, Crisis Communications, various event approval criteria docs and more available upon request.

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Smaller unique events, offering contemporary and fun experiences for members and beer enthusiasts alike. Fundraisers don't need to be huge to make money. Small events can bring in ample revenue without the risk of a large-scale fest. Beer pairing events where beer is partnered with meals or even specific food categories such as beer dinners and brunches are common, but beer also pairs beautifully with pies, bacon, chocolate and so much more!

Technical conferences: Specialist seminars supported by innovative and pioneering industry leaders undoubtedly stimulates development and success. Interesting and informative perspectives pollinate across the state's expanding craft community, bringing about positive evolution to our great industry. Numerous states now host great technical conferences.

For a guild conference, run various pricing models to find profit vs break even vs loss in order to offer more flexibility.

- Conference organizers know badge sharing exists. Attendees sometimes do not have the time to attend the whole conference or are interested in attending certain portions and not others. If the guild normally charges a base rate for one person, consider offering a structure where one badge incrementally more for two people and just slightly higher than that for three people (and all three share that one badge, so only one can gain access to the conference at a time). These individuals may have previously just passed their badge back and forth, but now it's at least sanctioned and earning money.
- Another possibility would be to offer a brewery business registration. Instead of forgoing the
 purchase of multiple individual registrations, employees of the brewery can share a certain
 number of badges as their conference priorities vary, and their attendance shifts from
 employee to employee.
- Offer just expo/trade show passes, which can boost your trade show income and vendor ROI.
- Instead of early bird + regular + on-site pricing, start low, and then increase the cost by some small increment every single week. Offer further incremental increases, giving more incentive to making the decision to register sooner rather than later. For example, the first fifty people get one price, next fifty get the next price up.
- Offer registration flash sales over a certain targeted easy-to-remember holiday, with the lowest possible price. This can drum up all the individuals that have to pay on their own, or larger group registrations.
- Offer an "Alumni" rate for both attendees and trade show vendors. Start marketing and selling conference registration for next year on the last day of this year's conference and sell registration at a discount AT the conference. It's possible this is leaving money on the table because these people may be coming anyway, but to overcome that, perhaps offer a "bring a colleague" package.

Grants: Potential sources of grants range from state government agencies, departments of tourism and agriculture and small business development centers. Grant amounts can also vary greatly by state. Guilds have secured grants for up to \$90k from Chambers of Commerce, and Departments of Tourism, and Agriculture.

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One of the fundamental keys to a guild soliciting and receiving a grant is to demonstrate the economic impact of the state's craft beer industry. Guilds often contract their state universities to gather data and assemble economic impact statements to demonstrate to elected officials the importance of the craft brewing business in the state. More about your state beer industry's economic impact can be found on <u>BrewersAssociation.org state stats pages</u>.

Departments of Tourism are often interested in the impact from breweries, and guilds have found success by demonstrating how much additional income local beer weeks or events bring into local hotels & the region. After obtaining any grant, it will be necessary to show an ROI, which can be accomplished through attendee surveying on site or through the ticket purchasing platform.

Guild Merchandise: Merchandise is an extensive project, and guild staffers might end up with boxes of t-shirts in their garage if not outsourced to a third party. But merch can bring in fair margins! This is more relevant for advanced guilds with many members & festivals and can be great for promotion and income. Guilds often turn to 3rd party organizations for fulfillment of the merchandise store.

"Meet the Brewer" events: Brewers are local heroes! Brewer dinners/tours/etc... Classy events within the brewery, to engage the super-enthusiast communities, sometimes including food or branded swag.

Advertising & Sponsorship

Advertisements in social media, e-newsletters, event programs, the guild website or mobile apps offer greater outreach for allied industry suppliers retailing goods and service solutions to brewery businesses.

Tailor various sponsorship packages with customized options for the unique needs of service and goods providers in allied industries.

People love an exclusive experience. If possible, offer VIP experiences at an upcharge from the base rate for attendees and/or sponsors at events. Secure sponsorship for those (and all specialty areas) too.

Allied trade service providers appreciate the opportunity to mingle with both potential and current brewery business customers. They'll often sponsor the opportunity to give brief presentations at conferences/meetings, or a dinner or reception.

Caution: While sponsorship may be a successful source for bolstering fiscal support, it's important not to let a sponsor appropriate an event. A sponsorship should not change the tone of the event or have excessive influence. The most important aspect of a guild/sponsor partnership at events is to ensure each party perceives a return on investment.

Collaboration Beers: Guild members can come together to brew a beer at one member's brewery, source donations for packaging and ingredients, then sell for on- and off-premise

consumption at retail outlets throughout the state. Alternately, agree to source one main ingredient or brew a certain style, but have member brewers create their own rendition of this unique Guild Beer, then offer at festivals and sell in tap rooms for a portion of proceeds to the guild. Ensure compliance with state laws here.



Check out
Louisiana's
collaboration
beer, with a
portion from
each pack
going back to
the Guild.



Sporty Tournaments: People LOVE to win. Dart throws, golf tournaments (mini golf in a production brewery with extra space or regular golf on a real course), beer-related Olympics (NO drinking competitions!). Chile cook-offs, dunk tanks, keg tosses, you name it. Creativity is your strength; the world of competition is your oyster.

Competitions or taste-offs: New Mexico Brewers Guild's annual IPA Challenge is wildly popular. The Guild collects an IPA from all participating brewers. Then through a regional tour, breweries host the challenge, offering flights for purchase in across the state, and consumers vote for "best in show." Virginia Craft Brewers Guild offers their Brewers Cup each year.

Caveat: some guilds specifically avoid this, in order to not pit members (and their consumers) against each other.

Host an auction or raffle: at events, meetings, conferences or fests. Hire an artist, to pair with a brewery at a festival, to create an original work of art for auction at the conclusion. Other auction items of interest include beer/guild schwag filled gift baskets, fest tickets, special beer releases, guild & brewery merchandise. *As always, be sure to verify with an attorney or the state ABC that state laws allow for these types of giveaways.

\$1 a Brewer Fundraising Program: Similar to programs for other organizations promoted through grocery stores, retail outlets and the web, where a modest donation is added to the customer's retail bill, this program can build brand awareness for participating guild members, the craft beer industry and the Guild.

State Fair: Many guilds participate in their state fairs, with a guild member pavilion featuring independent brewers and their craft beers. Some guilds offer a guild collaboration beer for their state fair. Proceeds from the pints for sale are shared between the guild and the fair.

Beer Week: for the city or state, beer weeks bring together breweries in the region for a celebration of the beer industry, and each brewery member can offer whatever sort of

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fundraising activity they do best. This can be another massive undertaking, with dozens or hundreds of events and countless organizations involved, but portions of the profits from each event can benefit the guild. Pro tip: if there is a major impact from the beer week on the local economy, the local department of tourism may be interested in providing grant funding support.

Partner with Allied Businesses: Cultivate partnerships that address brewery business challenges. What keeps brewery owners up at night? What tertiary service and goods are offered by allied organizations founded to address these issues?

Conduct guild membership needs assessment surveys to better understand what these businesses need to be successful and develop partnerships to address those goals. Examples include group insurance & employee benefits programs, and mobile apps with regional or state brewery tours.

Ensure Program Success

Once a new program is offered, a strong educational campaign is crucial to ensure adoption of the new benefit.

Prior to all-membership launch, consider running a pilot program with a new revenue program. This can provide a forum for feedback and program refinement, as well as a community of core participants that spread the word when introduced to the wider membership.

And finally, don't be afraid to pull the plug or sunset programs. A misaligned funding program can chip away at the mission with too many strings attached or expectations that take the organization off course. If a program is performing poorly, and everything was done to increase awareness, streamline the benefits to only provide what is most valuable to members.

Guilds must have an innovative approach toward realizing creative and diverse fundraising opportunities. Fortunately, we work in an industry overflowing with entrepreneurial spirit. Don't fear failure, be prepared for success, remain innovative, and evolve alongside brewery member businesses. Nonprofits can survive the test of time and a fluctuating industry environment through building a varied portfolio of sources that increase the bottom line.

Dues & Membership

Fundraising for a guild often starts with multiple levels of membership and dues. Dues for each class of membership are a subject of great debate among many guilds. Dues need to be high enough to fund the activities of the organization, but not so high as to discourage membership.

Remember, the more brewers involved in your guild, the stronger the collective voice will be. In a state where most breweries are the same size, a flat rate works and discourages isolating one or two larger brewers. But, in a state where businesses range from small brewpubs to large regional breweries, a sliding scale based on production is often used.

Likewise, associate, retail and enthusiast level dues should be set to encourage participation.

Common Membership Tiers

Core/Voting Members (Brewery)

Most generally used bylaws definition: A brewing organization that brews common brands, names and formulas at a facility in the guild's state in which it owns a majority interest. If there is more than one brewing organization involved in a brewing facility, the one holding a majority interest is eligible for regular membership. The member must hold a Federal Brewers notice. Resource for onboarding new members here.

The brewery must qualify for the Federal Excise Tax exemption applicable to brewers producing no more than 6 million barrels of product a year. A contract brewer who does not own a majority interest in a brewing facility in the guild's state is most often, but not always, ineligible for a Regular membership.

Associate/Allied Trade

Beer industry partners (wholesalers, retailers, non-voting breweries) who sponsor the guild/guild events in return for exposure, networking, advertising and increased business relations with breweries. Most generally used bylaws definition: Tradesmen and suppliers doing business with the brewing industry or any individual, partnership or corporation in an allied industry or endeavor may be admitted as a non-voting Associate member. An Associate will pay minimum dues as set by the Board of Directors. The voting rights of an Associate shall be at the Board level only. An associate is eligible to be elected to the Board of Directors but may not serve as an officer of the Association.

Guild benefits of allied trade members:

- A valuable supplier/vendor directory could be crafted with membership information and provided to brewery members as a benefit.
- Breweries could organize co-operative supply purchasing of ingredients, tanks, glass, etc.
- Suppliers could be given the option to pay to present product demonstrations at guild meetings. These funds could be used to put on more professional meetings.

More info on guild membership can be found on individual guild pages online on the find-a-guild page.

Additional allied trade benefits below. These could also possibly be tiered with the level of sponsorship (financial investment).

- Listing/link on guild website.
- Usage of guild logo for promoting local craft beer.
- Discounts on guild merchandise.
- Opportunity to advertise on guild website.

- Discounted conference registration.
- Complimentary festival tickets, and/or early entry.
- Participation in process to identify retail accounts receiving complementary festival tickets.
- Logo placement on festival programs.
- Brewery hospitality sponsor at guild events.

Enthusiast Members

This membership tier allows craft beer enthusiasts to stay more connected to the developments of the organization. This can also be an excellent source of foundational funds as brewery members can contribute the benefits to these members.

There are no voting rights for enthusiast members, and they are not eligible to be elected to the board of directors.

Perks for enthusiast members may include:

- T-shirt
- Newsletter
- Pint of beer (caution: some states don't permit this)
- Pint glass
- Early festival entry or VIP hour (it's not recommended to offer festival tickets)
- Discounts at breweries
- VIP tours and tastings
- Addition to a distribution list or forum
- Members-only access to meeting minutes, issue voting and decision log
- On-line platform for promoting events similar to the <u>CraftBeer.com</u>
- Notice of legislative alerts (similar to the <u>Support Your Local Brewery</u> program).
 You can also use this enthusiast member list as a grass roots network for legislative issues. They are your foot soldiers and will often make a call to their representative if needed.

Popular guild enthusiast programs:

- Illinois Craft Brewers Guild ImBIBE
- Washington Beer Commission WABLs
- Wisconsin Craft Brewers Guild WIBLs
- Michigan Brewers Guild Beer Nuts
- Montana Brewers Guild Brew Crew
- North Carolina Pint Hounds
- Utah Brewers Guild Beer Enthusiasts

Other Categories

- Wholesaler/Distributor Partners
- Festival sponsors
- Retailers
- Homebrew Clubs
- Breweries in-planning

Resource: Dues Averages as reported on the BA's annual Guilds Survey 2018.

Membership is the Foundation

Let's start with the obvious: members are the heart and purpose of the organization; they are key cause and beneficiaries of the guild's mission.

While maintaining current members is important, organizations cannot retain their way to growth. Guilds must strive to keep the members they have while also attracting new and dropped members. Association members will forever come and go, and there will always be non-joiners, but as members are the primary customer of the guild, member recruitment is the never-ending project for brewers guild leadership.

Ideas to keep and increase membership:

- Conduct a listening tour and survey. Identify member needs and offer the resources or solutions in the precise way they need it. Survey, develop new resources, evaluate these resources for value, repeat.
- Increase interactions. The more personal and frequent interactions a prospective or current member receives, the more likely they are to feel served. Deepen their involvement by empowering engagement at the committee and board level.
- Give the marketing of guild membership a fair shake. Track efforts by total response. Sunset programs that don't work, build awareness of those that do.
- Reevaluate your dues.
 - o It may be time to increase or decrease dues. Depending on structure and roll out, either could increase the bottom line, through additional dues, or additional joiners. A more complex structure change from flat rate to per barrel may offer a more level playing field for dues costs while increasing the total sum.
 - Capture new dues with new membership categories within or outside of the voting tier.
 - o Consider monthly or quarterly auto-debit payment plans.

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- Ensure the smallest member businesses have an attainable (read: affordable) opportunity to be involved from the very start. They may grow and become more substantial contributors to the guild through non-dues means (like hosting fundraiser events or brewing beers for the guild benefit).
- Add an additional donation option to the various tiers of dues payments, already included with the transaction, and then offer an opt-out option for the donation. Directly asking for donations has proven effective for guilds. If the transaction is packaged up neat and tidy, folks appreciate the opportunity of simplicity and often won't opt-out.
- Recruit active members and the guild board as ambassadors to campaign for guild membership. Make it easy by offering talking points or an email to forward to prospective members (these nonmembers are, after all, their peers and colleagues within the industry).
- Enhance the member experience though modernizing communication, service delivery, and program offerings. Offer automatic membership renewal. Make joining the guild or conferences or events frictionless transactions – people want self-service check out. If the guild does not take advantage of technology trends like frictionless transactions, it's going to be increasingly difficult to compete.
- Improve and increase networking opportunities and offerings for professional development. Many guilds offer regional and monthly gatherings, annual conferences, educational seminars at guild meetings and mentor programs.
- Promote members individually through recognition in publications or events.
- Incentivize membership. Offer member discounts for conference registration, make fest booth participation exclusive to members, restrict online resources, member forum, email distribution list, & valuable content to members-only.
- Refine access to information. The Brewers Association offers oceans of industry
 information on safety, quality, sustainability, federal advocacy, and much more, but
 guilds can offer new information that is state-based or locally focused, curated &
 delivered or made more accessible in a unique way.

Though breweries are opening at a rate of two or three a day, increasing the potential pool for membership dues, dues are most often not the majority source of funding for brewers guilds.

Generally, the larger the brewers guild, member base, and operating budget, the more staff time can be dedicated to non-dues revenue sources, and the lower the reliance on membership dues. There's always staff time and resources necessary for implementation of any program, and it is often more so than expected – but the ROI can yield a higher than expected return.

Why Invest in the State Guild?

Why do breweries join their state's brewers guild? The motives behind investing in guild membership transcend just supporting the cause these days. With an increasingly challenging market for selling craft beer, brewers join their guilds to stay informed, network, gain professional experience, increase business exposure, change laws, save time and save money – these motives have become increasingly more important than the greater good. And all these reasons offer opportunities for non-dues revenue development.

If your organization still preaching the cause, it's time to develop a new approach.

Expanding the outreach of fundraising programs outside traditional sources (dues, conferences, festivals) has the potential to drive revenue far beyond the dues and beer donations small business owners can afford out of their own bottom line.

Policies State Guilds Should Consider

- Articles of Incorporation
- Board Code of Conduct
- Board Roles & Responsibilities
- Grievance (or Member Removal) Policy
- Code of Ethics
- Conflict of Interest
- Employee Handbook

Samples available upon request.

Advocacy BA Guild Leader Hill Climb

Industry defense is a key focus of the Brewers Association (BA). Each year, the BA organizes a Capitol Hill Climb, where guild leaders and brewers are invited to attend prearranged meetings with their states' elected officials in Washington, DC.

The importance of establishing relationships with Congressional representatives and their staff cannot be underestimated. Brewers guilds have a collective voice which should be heard on national issues of craft brewing importance.

Guild presence in Washington D.C. is also essential for helping advance guilds' interests—the focus is to educate legislators on the economic, social and cultural contributions that small breweries provide to their communities.

Issue Outreach to Legislators

- **State legislature Hill Climb**: Annual visits to elected officials in their state Capitol offices to educate them on the small brewing industry and advocate for small brewer interests.
- Support Your Local Brewery (SYLB) network: SYLB is a grassroots activist organization
 whose ranks are made up of beer enthusiasts from all 50 states. These activists are busy

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writing letters, sending emails and making phone calls on specific issues or bills impacting the state's small brewers.

- Attend legislative committee hearings: Brewery owners telling their story and testifying on bills of interest can make a massive difference in success (or elimination) of a bill.
- **Legislative tastings**: Legislative receptions held at the state Capitol are a great way to meet with a brewery's district legislators and staff offering a place to talk in a more candid, personal fashion.
- **Legislators tours at breweries**: Building relationships and personal connections with your elected officials is arguably the most important government relations function your guild can perform as a member of the craft brewing community.

Resource: Connect with Elected Officials

• **Fundraising:** Assisting members with fundraisers for elected officials.

Hiring a Lobbyist

There's a wide range of cost for a lobbyist. Some guilds pay \$5,000 a month, while some pay \$5,000 a year—depending on what issues arise and the amount of required action. It's an important but expensive option.

Here's a few comments from one state guild leader about the lobbyist on retainer for the guild:

"We have a lot of alcohol beverage legislation every year—about five to 10 different bills on average. Our lobbyist and his firm identify each of those bills as they are introduced and track them through the eight-month annual session. Each time any one of those bills is amended, the firm identifies the amends and we analyze together for threat analysis. The process of identifying and tracking bills alone is a valuable service.

More importantly, our lobbyist is at the Capitol virtually every day (he has seven other clients in addition to us). He is our eyes and ears in the hallways and cleans a huge amount of "intel" talking with legislators, policymakers, staffers and other lobbyist. All of the state legislators know him on a first name basis and know that he represents the craft brewing industry.

As much time as I spend at the Capitol working with legislators and staffers myself—there is no way we could accomplish what we do without a lobbyist. There are many, many stories of where having a lobbyist has paid off. In essence, the craft brewing industry in our state would look very different if a lobbyist was not part of our effort."

This is what another state guild's President recommends when looking for a lobbyist:

"I can tell you that it has made an incredible difference having somebody who is looking out for our interests at the Capitol, as well as giving us some much-needed guidance in our first few years of being more actively involved legislatively. We feel there has been a huge

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advantage being able to rely on someone who's office (with taproom, by the way) is two blocks from the Capitol building!

If I can offer one piece of advice, look for a lobbyist who is a beer geek...one who shares your passion for craft beer! Ours was a big fan before we started working with him, and I have to assume that there are others just like him in other states."

This guild executive director was a former legislative official and caucus attorney. He chimes in with these final thoughts on the importance of lobbyists:

"I know that lobbyists are seen by many as sleazy glad-handers with big, expense accounts and few scruples. In my experience, that is not the case at the state level. The lobbyists I saw in the halls of the State House were hard-working, honest people, building and maintaining relationships with legislators. Get a good lobbyist, a professional with established relationships.

Caveat: Make sure you have a specific understanding up front regarding fees and billing. If you have a \$10,000 lobbying budget, you might be surprised to receive a \$30,000 bill after session wraps.

Tip: If your lobbyist lobbies for several clients, that could be good news for you. Much of the travel time and sit-around time (there's lots of that!) would typically be split among the clients, but be sure to negotiate on this point up front."

Economic Impact of Small Brewers

State and regional brewers guilds often contract local universities to conduct economic impact studies of craft breweries in their state. A handful of other guilds have produced, or are in the process of conducting these studies, with the support of state agencies such as economic development boards or legislative committees.

These organizations use a sophisticated software and database package (IMPLAN) to measure both direct and secondary impacts of the craft beer industry. The secondary impacts are measured through multipliers, which is what produces the final report with large financial impact numbers.

Guilds can use this study whenever they are up against tax hikes and legislative bills that affect the craft breweries. The cost is often very reasonable considering the impact it will have for future issues, and you may be able to get a discount if you provide the surveys that CO or AZ have generously shared for others to use. With our booming industry, it's important to keep the data up to date.

Every state's craft beer industry significantly benefits from having this information. Small states with immobilizing laws would benefit from having neighboring state's prosperous statistics, as a demonstration of what they could become. Flourishing craft friendly states who've demonstrated these numbers often receive much-deserved positive consideration from their

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elected officials. Using IMPLAN, the Brewers Association has compiled economic impact data for each state. Basic info can be accessed online. BA has also prepared an infographic for each state for guilds and brewers to share with policy makers – please contact the BA for your state's infographic.

National Guild Meetings

The Brewers Association holds national guild meetings multiple times a year. These are great opportunities to meet and network with leaders from guilds and BA leadership, discuss issues of interest and share best practices.

National guild meetings are held each year at the <u>Craft Brewers Conference</u>®, <u>SAVOR: An American Craft Beer & Food Experience</u>® and the <u>Great American Beer Festival</u>®. They are open to guild leadership for attendance.

In addition to these national guild meetings, during the Craft Brewers Conference, we organize space for state guilds to meet during the conference. If your guild has a strong contingent of CBC participants, contact the BA to arrange for a space to gather as a state.

The BA has offered Guilds Leadership Summits the past few years as well, giving guild leaders a retreat-type space for networking and professional development. Usually held alongside the hill climb, occasionally the Summit travels to other external events as well. Contact the BA for more info.

Regional Guild Meetings

Regional guild gatherings also occur throughout the country, originally started by leadership within the Midwest guilds.

Anywhere there's an opportunity for multiple states' brewers to descend upon one place for a fest or event, these are great opportunities to also come together with the guild leadership community.

These meetings are super beneficial for guild leaders to connect, network and share best practices with their neighboring state associations. We'd like to see this level of communication occurring more frequently across the nation.

Contact the Brewers Association if we can be of support in gathering your region's guilds together!

Promotion

Website

Promotion of a guild's website is fundamental to communicating with membership and the public about association activities and the importance of the state's beer industry to the local economy. Websites also provide a space for advertising sponsorships from associate members, and to promote members' beers and breweries to beer lovers within and from outside your state.

Social Media

Facebook, Twitter and other social media platforms help announce events, solicit need for legislative support, receive member feedback, etc. You want to encourage all of your members to follow the guild and to retweet/repost all of your announcements.

Traditional Media

In partnership between the Brewers Association's Craft Beer Program and the BA's outside media firm, we annually prepare the media outlet contacts databases for each state, available anytime upon request by a guild.

These lists differ from the general media lists BA members access through our Business Tools page, which include various food, alcohol, and beverage media outlets. The database we make available to guilds only is much more robust, including key contacts not just in the food and beverage category, but a more universal media outlets database specific to your state including general media, business media, legislative affairs, food/beverage, and lifestyle.

These lists have proven to be a valuable resource for guild efforts, whether it be in promoting guild and guild member activities or educating the press on issues of importance to a state's brewing industry. The media can bring a wider awareness of potential legislative change as state representatives go digging around for budget fixes or, more optimistically, pursue policy to modernize your beverage alcohol laws. Journalists and policy makers both appreciate coverage when a State Representative tours or hosts a town hall meeting at a local brewery. Members of the media appreciate being included in your events and are often eager to bring positive press to your brewers guild fundraisers. Got a new brewery opening soon? Your state's brewers win big at a local or national competition? Let the press know!

Contact Acacia Coast directly to obtain your state's database.

Mobile Apps: Wisconsin, Ohio, Vermont, New York

Print Material: Creating a statewide presence through print material like a brewery trail map are helpful, and beer lovers love a tangible passport to carry around, but guilds are now employing mobile apps more.

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Guild Ale Trails: Maine, Vermont, Montana

Digital magazines: Michigan, Ohio on Tap

Guild merchandise: Merchandise like shirts, hats, mugs, etc. Check out <u>Ohio</u> and <u>Michigan's</u> <u>Guild Stores</u>.

Brand standards: When promoting a state's beer and its breweries, a guild's logo comes to be recognized as a trusted representation of an important local association.

Guilds and supporting member breweries build the brand by placing it on festival banners, case packs, and other promotional materials. The logo helps breweries to identify their beer as made locally, creating local jobs, and supporting the state's economy.

The Washington Beer Commission has made an outstanding guide for utilizing their logo: the Washington Beer Brand Standards Guide. The guide was created to help state breweries most effectively use the Washington Beer logo, determine best colors and fonts for their materials, and keep consistent usage of the Washington Beer brand with all participating breweries.

From Eric Radovich, WA Beer Commission Executive Director: "With it, we hope to make it easier for each of you [member breweries] to promote your product as a Washington-made beer, attracting customers who value buying local, as well as building awareness of the high quality ingredients, taste and production standards of our state's great breweries."

Blogs

Share the successes and challenges of your state's brewing community with a wide-ranging audience.

Checkout these popular guild blogs:

- The Mash: Michigan Brewers Guild
- California Craft Brewers Association
- Colorado Brewers Guild Blog

State, City and National Beer Weeks

This is a large undertaking, but when done successfully, can be a huge fundraising source and promotional outreach for guilds.

Has your state declared by proclamation a state craft beer week? This is often a great project that guilds can work on to develop trust and build relationships within the association.

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In 2012, by initiative of the <u>California Craft Brewers Association</u>, the California state Senate voted unanimously to pass SCR 66, a resolution introduced by Senator Corbett to declare February as "California Craft Beer Month." Numerous other states have done this too.

Great American Beer Festival® Protect Craft Guilds Pavilion

Each year at the Great American Beer Festival, guilds participate and pour unique beers at the Protect Craft Guilds Pavilion. This pavilion provides a promotional and educational opportunity for guilds to bring information on their state guild, state beer trail maps, and most importantly, serve member brewery beers not otherwise available on the festival floor, to tens of thousands of beer enthusiasts.

There are not many opportunities brewers guilds have to share about their initiatives and share their members beers with 60,000 craft beer lovers.

Having a booth at GABF is also a benefit of membership brewery members—for participating breweries it's another beer they can pour that's not at their booth, another chance to talk to consumers. This pavilion is an immense opportunity for very small and resource-challenged breweries that can't make it to the festival with their own booth.

Education

The rapidly developing craft industry has brought an acute awareness of the need for industry education. In some states, this has resulted in guild education opportunities, including technical conferences and seminars for craft beer business professionals. These opportunities support industry knowledge advancement.

What do you do to ensure your guild members comprehend the critical nature of speaking with one voice?

How do you ensure these brewers recognize they are part of something bigger than themselves, and act accordingly? Comprehensive and consistent education is crucial.

Actionable education and recruitment activities include:

- Hosting state's pioneer brewers or key industry rock stars to speak at meetings or conferences about their experience opening breweries decades ago, and their motives for staying unified throughout history
- Inviting state regulators/alcohol bev control agency reps/etc to address the state laws, the history of those laws, their purpose, and importantly, current laws. Q&A always important here.
- Inviting state representatives to guild meetings/conferences
- Regular conference calls with a guild attorney for live Q&A
- Offering regional guild meetings (guild road show!)
- Visiting new members in person

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- Calls direct from Guild board members to new members
- Newsletters (often with "Common Q&As" using the phone call inquiries that come in from membership)
- Leveraging allied trade members to discern "Breweries in Dreaming"
- Disseminating a "new brewery member guidebook" (example contents here)

Technical Conferences

- Provide a forum for marketing, sales and technical issues affecting the craft beer industry.
- Consider elements of good practice in the brewery and in the business.
- Highlight the importance of experience, mentorship and further education.

Technical conferences offer an excellent opportunity for fundraising for the guild and are an instrumental opportunity for community education. Offering membership discounts provides tangible benefit to the breweries in the state, which in turn helps boost membership to the guild.

Specialty seminars supported by innovative and pioneering industry leaders undoubtedly stimulates development and success. Interesting and informative perspectives pollinate across the state's expanding craft community, bringing about positive evolution to our great industry.

Successful guild technical conferences consistently produce a beneficial contribution to the guild's membership and considerable value to the state's entire craft industry.

As the organizer of the <u>Craft Brewers Conference</u>, the Brewers Association finds great significance in offering opportunities for our industry to network, collaborate, learn and progress. These local offerings are an affordable option that is immensely valuable to our community.

If you are hosting a guild-sponsored technical seminar, please let us know so we can help promote it, and possibly send educators to support your speaking engagements.

Scholarships

Scholarships are a great way to assist guild members in expanding their knowledge of brewing, malting and other related fields. The Minnesota Craft Brewers Guild has a perfect example of this, check out their scholarship program. Florida Brewers Guild also offers a scholarship program.

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Conclusion

The Brewers Association is committed to helping state guilds organize and thrive.

Acacia Coast, state guilds manager, and Pete Johnson, state & regulatory affairs manager, work with guilds on development issues and liaison activities. There is also a guild list serve available for use by both formed groups and those in the formative process to facilitate communications between guilds and associations.

Pete Johnson

State & Regulatory Affairs Manager

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To reap the benefits of a brewers guild, you must also make an investment of time and effort in association activities and become involved. Wherever you are and whatever your skills, there are plenty of exciting opportunities to volunteer, collaborate and get involved with your state guild's efforts. If you're not a member of your state's small brewers guild, please become involved today. Your support is crucial. An investment in your guild is an investment in the future success of your small brewery business. Regardless of your skills, resources, interests or geographical location, you can make a difference: Participate!

Find your guild's contact information on our Find-a-Guild page of BrewersAssociation.org.