

Lowering Barriers to Entry - Doug and Tom

John Stein is the carpenter who built this bar and he built both bars downtown. He's the one doing the long boards. He does the mash, he did our mash paddle. He does a lot of really interesting projects. But he was another person who he really wanted to do our project because it was downtown, because it would be visible, because-- and he's gotten other people who saw our bar, who did your bar? And it was almost like marketing for him to be doing that in our space. And he was very helpful, very responsive.

And he is the type of detail-oriented, almost perfectionist, who won't quit on the project until he feels it's done. So we didn't have to-- he didn't just come in and say, all right, this is what you paid for, this is all you get. It's, I want to fix this piece. I think we can make this a little cooler. And it wasn't, you know, well, that's going to cost you extra to do this, I think it's a good idea, it was, I'm going to do this because he wants it to look great. And BrewFab's that way and some of the other artists are that way that have art work in our space. And actually a lot of our employees are that way.

We wanted to team up with local businesses as much as possible. The BrewFab, being a local equipment fabricator, that came up after we'd opened and was sort of, it was an odd arrangement because they had previously been in marine stainless fabrication. So they know stainless steel and how to manipulate it to do whatever you need to do. But they had a connection with this guy named Jay the welder, who works at Cigar City now as full time just fix stainless steel stuff and build things for them kind of guy.

And Jay built my first brewhouse. Jay's kind of hard to work with. Jay has some interesting ideas. And when I heard about BrewFab it was from Jay and I was immediately hesitant to work with them because I didn't want to work with Jay. Was not-- it was just, I couldn't count on the equipment being done in any sort of timely manner. I had no idea what it would cost. We'd talk about a price, he'd come back with it done and be like, oh, well, it's twice as much as I said it was going to be. Great. Well, that's not helpful at all, Jay, thanks.

So was I was really hesitant. But then he called them up to help put some holes through some stainless steel plates and I met them. I had actually been at the store going to get more drill bits and I come back and they're there working on my cooler. I was like, what? Who are you people? And got to talking with them and realized that it was not going to be a Jay the welder scenario, that they really knew what they were doing and understood how to operate that kind of business. That was very exciting and continues to be a very rewarding relationship.

What we did here-- when we bought this building it was in distress so my wife and I had to find a way to basically make the bank go away. So we bought the mortgage from the bank, from someone that hadn't paid the mortgage in three years.

So we bought the building. Supposed to take 30 days, took us a year to get the building. Guy was fantastic. He was in a tough situation, filed bankruptcy, we got caught up in that. We would have been open a year ago had it not been for his bankruptcy. But what that allowed us to do is basically pay for this building for a quarter on the dollar and then go to a bank and have them give us a loan against the building.

So the bank's in a great position, we're in a great position, we're not diluted, in terms of ownership, our payments are ridiculously low, stupid low, because banks are borrowing money from Uncle Sam right now at a ridiculous rate. So we're going to take advantage of that. Our cost on this place is ridiculously low for the amount of risk associated with this business because my wife and I were able to buy the building.

Right? So that changes everything for us in terms of cash flow for the business.