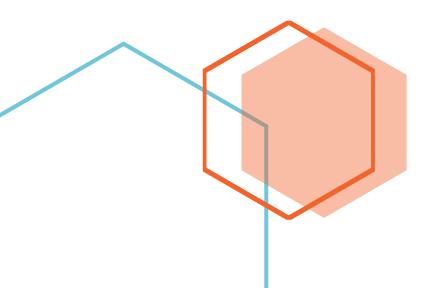


A strong and unified state brewers guild serves as an effective voice in promoting the interests of all brewers in the state. Whether promoting local beer or fighting for favorable laws and lower excise tax rates, the collective effort of a state trade association has far more impact than that of an 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 procedures for holding elections and appointing different roles within the guild.

Fundraising

Funding a guild through membership dues, events and grants is essential to keep the organization running, and vital for protecting the state's brewing community. To help keep dues reasonable, 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 that should be heard on state and national issues of importance to craft brewers.

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 and festival participation including the Guilds Pavilion at the Great American Beer Festival®.

First: Consult a Lawyer

This guide is by no means the authority on non-profit management. There are associations, law firms and myriad 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 American Society of Association Executives , and other nonprofit support orgs.

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 the advancement of industry knowledge.

Nonprofit Brewers Guilds

Brewers guilds / associations are registered as 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 most cases, they qualify as non-profits under Section 501(c)(6) of the Internal Revenue Code. In the U.S., all 50 states have some form of brewers guild. Some 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 partner with the Brewers Association at the front lines of a powerful and organized movement to promote and successfully implement, protect, and maintain beer and brewing-related 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 capitol.

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 to protect and maintain a brewery business. 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 using our Find-a-Guild feature on the BA's <u>State Guilds</u> page.

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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

Although guild leadership starts with a Board of Directors, where possible, a guild may seek to hire paid staff, generally starting with an executive director. In other states, particularly those with a limited number of breweries capable of supporting guild activities, the guild may engage a management company or other outside consultant, who can represent the guild's interests on a contract basis. In either case, these people report to the board. Roles and responsibilities of board members, paid staff, and/or outside consultants should be clearly documented and understood throughout the organization.

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 resources 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, meet specific production criteria, and actually brew beer. Members attend applicable meetings, voice opinions, vote on leadership annually and as allowed by member category, attend and support applicable guild-produced events, serve on a committee if desired, assist in guild efforts with ideas, connections, and 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. It is crucial that all Board members understand that they represent the interests of all guild members in this leadership capacity and not individual business interests.

The board consists of an executive committee and occasionally directors-at-large. Read more at CouncilofNonProfits.org.

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

- Chair/President chairs meetings of the Board of Directors, prepares the agendas, and coordinates the activities of the board; document and check signer; primary employee manager (where applicable).
- Vice-Chair/President chairs meetings in the absence of the Chair/President; assists in the preparation of agendas, and the coordination of board activities.
- Secretary/Treasurer ensures each Director is provided with written notice of meetings as provided in the bylaws, ensures the recording and distribution of the

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minutes of the meetings, and oversees the maintenance of required records of all proceedings of the Board of Directors. The Secretary/Treasurer also keeps an account of all moneys received and expended and shall make a report on the financial position of the guild when called upon to do so at the Board of Directors meetings.

Board Members at Large: Attend all membership and 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: Where a guild hires paid staff, the primary (and often only) position is a Guild Executive Director or Operations Manager. Additional staff may be hired to support this position. Paid staff usually have primary responsibility in working to meet the mission, although board members, other members, and outside consultants often play important roles as well. Typical duties include developing programs, budgeting, building the annual calendar, meeting scheduling/reminders/organizing, running meetings, coordinating outside contractors, basic organizational accounting and bill paying, communications, membership development and support, fundraising, event management, lobbying and more. Reports to guild board/leadership.

Other staff and contracted support for guilds may include:

- Deputy/Assistant Director or Operations Manager
- Events & Marketing Manager
- Membership & Communications Manager
- Business Development Manager
- Lobbyist (usually contract)
- Legal Counsel (usually contract)
- Accountant (usually contract)

Structure. In Detail

Board of Directors (BOD) and Officers

The BOD should be elected by a vote of all voting brewery members. The BOD is generally between 5-9 people and is most often composed of owners, principals, and sometimes brewers. Because most guilds do not start with a paid staff, the BOD are the people who will do the bulk of the work in organizing events and programs, at least until a paid staff member is hired or consultants retained.

Officers, such as chair/president and vice chair/president, are often 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.

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Beyond the BOD, you may want to consider forming committees to handle programs and projects like membership recruitment and government affairs. The appropriate number and types of committees will vary widely, based on the guild's size and needs.

Executive Directors

To assist guilds that wish to hire an executive director, we've created a document (compiled from the input of several state guild executive directors) that outlines the functions and duties guilds perform through the year and so representing the typical responsibilities and work products of an executive director. Hiring paid guild staff imposes additional paperwork requirements that you will need to learn about by contacting your state's Department of Revenue. Some 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 paid staff is one of the most important actions that a guild may take. After hiring, the board generally must depend on paid staff 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 or retaining consultants who can take over vital functions.

Committees

Just as every board is unique, every board's committee structure is unique too. Thought should be given to the committee structure and include committees that are most relevant to the guild and membership with definitive goals and objectives and a regular meeting schedule.

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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.

Ideally, committees are chaired by either a member of the board or a non-board member with expertise in issues falling under the particular committee's jurisdiction. The bulk of the board's work should be done through its standing committees. Examples of standing committees follows:

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 primary staff person.

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, responsible for board recruitment, orientation of new board members, board assessment, and board management.

Government Affairs: Monitor and ensure a healthy brewing industry within the state by developing and articulating to the industry a consensus from within guild membership as it relates to regulatory, legislative, and other 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.

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.

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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 new initiatives and events that support the goal of enhancing 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 Governance Committee.

Public Relations: Represents the organization to the community; enhances the organization's brand and 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 from outside the brewing industry, and others who may be ineligible for a board seat in the work of 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. If you host an annual board retreat, this is a good time to review the committees and see if any need to be retired or added.

Fundraising

In order to ensure organizational sustainability within an ever-evolving industry, state brewers 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 return on investment (ROI), and boost member engagement.

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 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 way in order to deliver on their missions. Following are resourceful ways to approach increasing revenue.

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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, the reason the guild exists. Read more ideas about engaging in various fundraising activities through membership in the MEMBERSHIP chapter. The following are all non-dues fundraising options.

Make sure you are aware of your state laws – some of these options may not be legal in your state.

Festivals are an important revenue stream for many guilds and should be a part of a 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 have carefully constructed 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 care and attention to detail.

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

Smaller unique events offer 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 significant revenue without the risk of a large-scale festival. Beer and food pairing events are a common example of such events.

Technical Brewing and Production conferences and specialist seminars supported by innovative and pioneering industry leaders undoubtedly stimulate 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.

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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 costs 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 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 make the decision to register sooner rather than later. For example, the first fifty people get one price, the next fifty get the next higher price increment, etc.
- 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 <u>AT</u> the conference. It's possible this strategy will leave 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 (e.g., departments of tourism and agriculture) to small business development centers. Grant amounts can also vary greatly by state. Guilds have secured grants for significant amounts from Chambers of Commerce and state governmental agencies. Caution: many state grant programs come with significant strings. Most importantly, there may be prohibitions on the funds being used to lobby.

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. For example, 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 and the region. More information on economic impact resources available through the BA can be found in this manual in the Advocacy section (page 19) below.

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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: Selling merchandise is resource intensive due to a constant need to order, maintain and process inventory, but "merch" can bring in fair margins! This is typically 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! Consider offering brewer dinners/tours/etc. events within the brewery, to engage the enthusiast communities, sometimes including food or branded schwag.

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 realizes 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 with a portion of the proceeds going to the guild. Always ensure compliance with federal and state laws.



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!), chili cook-offs, dunk tanks, keg tosses, you name it. Creativity is your strength; the world of competition is your oyster.

Beer competitions or taste-offs: New Mexico Brewers Guild's annual IPA Challenge is extremely popular. The Guild collects an IPA from all participating brewers and then, through a regional tour, breweries host the challenge by offering flights for purchase 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.

Add-On 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. Check applicable state law.

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 beer sales 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 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

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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?

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 benefit 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 a guild-wide launch, consider a limited release that 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, cut it or 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 resources 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 more or less 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)

The Brewers Association bylaws define this class as follows:

- [a] Packaging Brewers shall be classified as those professional brewing members that sell 75 percent or more of their product outside of the brewery and are producing six million barrels or less annually.
- [b] Taproom Brewers shall be classified as those professional brewing members that sell more than 25 percent of their beer on site, do not operate significant food services, and are producing six million barrels or less annually.
- [c] Pub Brewers shall be classified as those professional brewing members that sell more than 25 percent of their beer on site, operate significant food services, and are producing six million barrels or less annually.

Associate/Allied Trade

Beer industry partners (businesses providing goods and services to the brewing industry, 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: Tradespeople 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. 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. If a guild wishes to explore such arrangements, obtaining legal advice to avoid possible pitfalls is essential.
- 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.

Additional allied trade benefits below. These could also possibly be keyed to 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 the process to identify retail accounts receiving complementary festival tickets, where permitted.
- 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 provide 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
- On-line platform for promoting events similar to CraftBeer.com
- Notice of legislative alerts (similar to the <u>Support Your Local Brewery</u> program).
 You can also use this enthusiast member list as a grassroots network for legislative issues. They are your foot soldiers and will often contact their elected officials if needed.

Example guild enthusiast programs:

- Illinois Craft Brewers Guild ImBIBE
- Michigan Brewers Guild Beer Nuts
- Montana Brewers Guild Brew Crew
- North Carolina Friends of NC Beer

Other Categories

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- Wholesaler/Distributor Partners
- Festival Sponsors
- Retailers
- Homebrew Clubs
- Breweries In-planning

Membership is the Foundation

As already noted, members are the heart and purpose of the organization, the reason the guild exists.

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 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 are needed. 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 levels.
- Give the marketing of guild membership a fair shake. Track efforts by total response. Sunset programs that don't work and build those that do.
- Reevaluate your dues.
 - The value of a dollar decreases every year, so freezing dues slowly but inexorably erodes the financial position of a guild.
 - 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's 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 neatly, people 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 non-members are, after all, their peers and colleagues within the industry).
- Enhance the member experience through modernizing communication, service delivery, and program offerings. Offer automatic membership renewal. Make joining the guild, 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, and valuable content to members-only. Some guilds offer a discount to current members who recruit new members.

Generally, the larger the brewers guild, member base, and operating budget, the more time can be dedicated to non-dues revenue sources, and the lower the reliance on membership dues. There's always time and resources necessary for implementation of any program, and it is often more 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 change laws, defend against legal and regulatory threats, network, gain professional experience, and increase business exposure –

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these motives have become increasingly more important. And all these reasons offer opportunities for non-dues revenue development.

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.

Advocacy BA Guild Leader Hill Climb

Industry defense is a key focus of the Brewers Association (BA). Each year, the BA organizes a Hill Climb, where guild leaders, brewers, and allied trades are invited to attend pre-arranged 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 the interests of small and independent breweries—the focus is to educate legislators on the economic, social, and cultural contributions that small breweries provide to their communities.

Outreach to Legislators

- State legislature Hill Climb: Annual visits to elected officials in their state capitol offices
 to educate them on the contributions of the small brewing industry and advocate for
 small brewer interests.
- **Grassroots Support:** Consumer engagement with legislators through email/calling campagins can be effective when promoting or opposing specific legislative proposals.
- Attend legislative committee hearings: Brewery owners telling their stories and testifying
 on bills of interest can make a massive difference in the outcome of a legislative
 proposal.
- **Legislative tastings**: Legislative receptions held at the state Capitol are a great way to meet with a brewery's home district legislators and staff, offering a place to talk in a more candid, personal fashion.
- **Legislator 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

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There's a wide cost range 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 expensive but important option.

Here are the comments of 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 amendments 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 gleans a huge amount of "intel" talking with legislators, policymakers, staffers and other lobbyists. 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 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 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.

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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

An economic impact study is one of many data points that may be helpful in telling your story, along with production data, employment data, and other data related to craft brewing and its economic effects. Guilds can use economic impact studies and economic data whenever they are up against tax hikes and legislative bills that affect craft breweries, or more broadly as part of telling the story of the craft brewing industry to legislators and the media. As a resource, the Brewers Association produces data on the impact of the national craft beer industry on individual states. These state numbers are based on industry-leading input-output software IMPLAN. You can see the compiled economic impact data for each state and learn more about the Brewers Association annual data here.

For many states, the Brewers Association numbers will be sufficient to demonstrate to elected officials the importance of craft brewing businesses in the state. In certain cases, guilds may want to partner with a state university or other organization to produce their own report. Funding for a stand-alone report can come from state agencies such as economic development boards or legislative committees. Advantages of a stand-alone state report might be highlighting unique aspects of a state economy, or the ties that craft brewing has to a particular industry of interest (tourism or agriculture for example). More about your state's economic impact can be found here, and the Brewers Association is happy to be a resource as you examine how to best tell your economic story.

National Guild Meetings

The Brewers Association affords guilds several opportunities to meet and network with colleagues and BA staff and leadership.

At the annual Craft Brewers Conference (CBC), the BA provides several guild-focused educational sessions, open forum discussions, and space for individual 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 also offered Guilds Leadership Summits biannually, giving guild leaders a retreattype space for networking and professional development. Contact the BA for more information.

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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 great opportunities 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 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 upon request by a guild.

This database includes key contacts in general media, business media, and legislative affairs.

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 affecting a state's brewers and the brewing community. Journalists and policy makers both

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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!

Print Material: Creating a statewide presence through print material like a brewery trail map is helpful, and beer lovers love a tangible passport to carry around. That said, more guilds are now employing digital assets:

Mobile Apps: Ohio, Vermont, New York

Guild Ale Trails: Maine, Vermont, Montana

Digital magazines: Michigan, Ohio on Tap

Guild merchandise: The old standbys: shirts, hats, mugs, etc.

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 local and state economies.

The Washington Beer Commission has made an outstanding guide for utilizing their logo: the <u>Washington Beer Brand Standards Guide</u>. 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. Check out these examples of guild blogs:

<u>California Craft Brewers Association</u> <u>New York State Brewers Association</u>

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.

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Has your state declared by proclamation a state craft beer week or passed a resolution designating a beer month? This is often a great project that guilds can work on to develop trust and build relationships within the association. As an example, in June 2023 the Michigan Senate adopted Senate Resolution 66 designating July 2023 as Michigan Beer Month.

Great American Beer Festival® Guilds Pavilion

Each year at the Great American Beer Festival (GABF), guilds participate and pour unique beers at the 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 for brewers guilds 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 the 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 beverage control agency reps/etc. to address current state laws, the history of those laws, their purpose, and regulatory implementation. Q&A is important here.
- Inviting state legislators to guild meetings/conferences
- Regular conference calls with a guild attorney for live Q&A

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- Offering regional guild meetings (guild road show!)
- Visiting new members in person
- Direct calls from guild board members to new members
- Newsletters (often with "Common Q&As")
- Leveraging allied trade members
- Disseminating a "new brewery member guidebook"

Technical Brewing and Production 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 excellent opportunity for community education and networking. Offering membership discounts provides a 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 stimulate development and success. Interesting and informative perspectives pollinate across the state's 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 value in offering opportunities for our industry to network, collaborate, learn and advance. These local offerings are affordable, immensely valuable events for our community.

Contacts

Your primary Brewers Association contacts for guild issues:

Pete Johnson, State & Regulatory Affairs Manager – general inquiries P: 720-473-7661 E: pete@brewersassociation.org

Sam DeWitt, State Government Affairs Manager – legislative inquiries

P: 720-837-6935 E: sam@brewersassociation.org