

BEVERAGEWORLD

[UPCLOSE]



«GARY GRAHAM, president of Kohler Distributing Co., (l) and Frank Politano, vice president of sales and marketing, head up business development efforts for the company.

Lemonade, Carlsberg, Sierra Nevada, Spaten and Hofbrau.

While some companies might opt to scale back during a time of economic instability, Kohler decided to take a different approach and invest in its people and its business. "And it's a risk to do that," Politano admits, "but we think that this will pay off in the long run."

Part of the reorg was to create a craft and specialty beer division about a year ago and add a new position to head up the division.

Within the past seven months or so, the wholesaler has partnered with several new craft and specialty beer suppliers.

They are: Cricket Hill Brewing Co. (Fairfield, N.J., USA), Erie Brewing Co. (Erie, Pa., USA), Belfast Bay Brewing Co. (Belfast, Maine, USA), Defiant Brewing Co. (Pearl River, N.Y., USA), Hook &

Ladder Brewing Co. (Silver Spring, Md., USA), The Lion Brewery (Wilkes-Barre, Pa., USA), Warwick Valley Winery and Distillery (Warwick, N.Y., USA) and Stevens Point Brewery (Steven Point, Wis., USA), as well as breweries abroad, Okocim Brewery (Poland) and Mythos Brewery (Greece).

"We are probably going to grow 10,000 cases in all of these small niche brands that we've picked up," Politano anticipates for 2009.

Kohler also expanded its wine portfolio. Six new brands to join the 3-year-old division are Martin Fierro, Dancing Bear, Viña La Rosa, Sharpe Hill, St. Christopher and Vittore. Politano expects to double the wine portfolio's growth this year, estimating 2009 sales to reach 16,000 cases.

"We've found some growth by just expanding our

VITAL STATS

KOHLER DISTRIBUTING CO.

PRESIDENT: Gary Graham

HEADQUARTERS: Hawthorne, N.J., USA

EMPLOYEES: 175

'08 CASE VOLUME: 6 million

GOALS: To focus on personnel development; innovative and creative on-premise programming; aligned sales and programming with supplier partners; encourage trade up despite economic challenges; provide value-added initiatives to the retail trade and drive profitable growth through business development.

Time to Get Crafty

Kohler Distributing Co. finds new pockets of opportunity within its business. By Jennifer Cirillo

At Kohler Distributing Co., a 6-million-case beer and wine wholesaler based in Hawthorne, N.J., USA, the economic downturn prompted the company to undertake several initiatives over the past 18 months to maximize efficiency, drive growth and improve the bottom line.

Frank Politano, vice president of sales and marketing, calls the effort a "reorg," a business development plan focusing on growing brands outside of its core beer business. "Gary's [Gary Graham, Kohler's president] big focus is do what you do really well before you move onto something else, and we do our core business real well," notes Politano. Kohler's core suppliers are Coors, Crown Imports, Heineken USA, Boston Beer Co., Yuengling, Mike's Hard

Street Power

Frank Politano, vice president of sales and marketing at Kohler Distributing Co. has many mantras—one is, “put sales back in sales.”

Kohler has been focusing on a number of initiatives as part of its “reorg” effort to drive growth. When it comes to sales, Politano believes that the power is in the street. With that, Kohler continues to invest in its people. The company created a training department and offers additional off-site training to its employees through the American Management Association (AMA), for example, or by hosting beverage experts like Bump Williams of Bump Williams Consulting to learn more about professional selling skills, as well as participating in supplier sponsored training seminars.

When it comes to on-premise sales, in particular with craft and specialty beers, the playing field has been a bit more challenging in Kohler’s territory with consumers trading down, Politano says. In response to that, “we’ve tried to do some creative things,” he says. “For example we will work with a bar owner



« KEY MEMBERS OF THE KOHLER TEAM include (l to r) Chris McCrohan, district manager; Aleksandra Torres, district manager; Peter Damato, business development manager; Frank Politano, VP sales & marketing; Steve Halloran, district manager; Chris Brehery, brand development manager; Dan Downing, marketing and brand development manager; John Neukum, merchandising manager; Gary Graham, president; Paul Deady, on-premise manager; Perry Calderone, key account manager and Dan Pugliese, sales manager.

and say, instead of handing out T-shirts and key chains, why don’t we pair up Blue Moon with some of your appetizers.” By pairing up craft beers with appetizers instead of entrees or conducting sit-down dinners, which the company also has done, Politano says, this allows consumers to familiarize themselves with the idea of pairing food with beer as opposed to wine. “The retailers like it. The customers like it.

I think it’s good for the business,” he says.

To support the company’s on-premise efforts beer experts like Samuel Merritt, founder of the Civilization of Beer, a website discussing ingredients and styles of craft beer for culinary professionals as well as wholesalers and retailers, have been brought in to further educate the sales team about the craft beers in Kohler’s portfolio. —J.C.

portfolio,” Politano says. “Between [craft beer and wine], we are probably going to add close to 20,000 incremental cases to our portfolio, and that’s all through our expansion efforts.”

In addition to expanding its portfolio, Kohler also has expanded its reach by adding two new sales reps in three counties outside of the company’s core four-county market in northern New Jersey.

To improve sales, the company created a hybrid sales system where the top 25 percent of off-premise volume has a dedicated off-premise only sales team, as does the top 25 percent volume of on-premise, explains Politano. Implemented in August 2008, the hybrid sales system approach is paying off for Kohler. “Those routes are driving all of our growth,” Politano says.

Continuing to invest in the company, a reset position was added. “One of the primary reasons we did that was being

that there is such segmentation in the beer category now, we feel that it is an asset to the retailer for us to have a qualified, professional, fact-based person to be able to go into a retail account and help organize shelf space to maximize profits,” says Politano.

With the recent business development changes, Politano stresses the No. 1 focus has been the 175 Kohler employees. “No matter what we do, our people are the most important resource we have and we are never going to do anything at the expense of our people,” he says. “We know all of our people; we are like a family, so we try to keep that in perspective and our people appreciate that a lot.”

As a result of the recent steps that have been taken, Politano says, “We feel pretty bullish that when things turn around we are going to be really poised to be even more successful than we are—it hits the bottom line.” **BW**