



GROWIN



S

OF A SUCCESSFUL BREWERY: PART 2

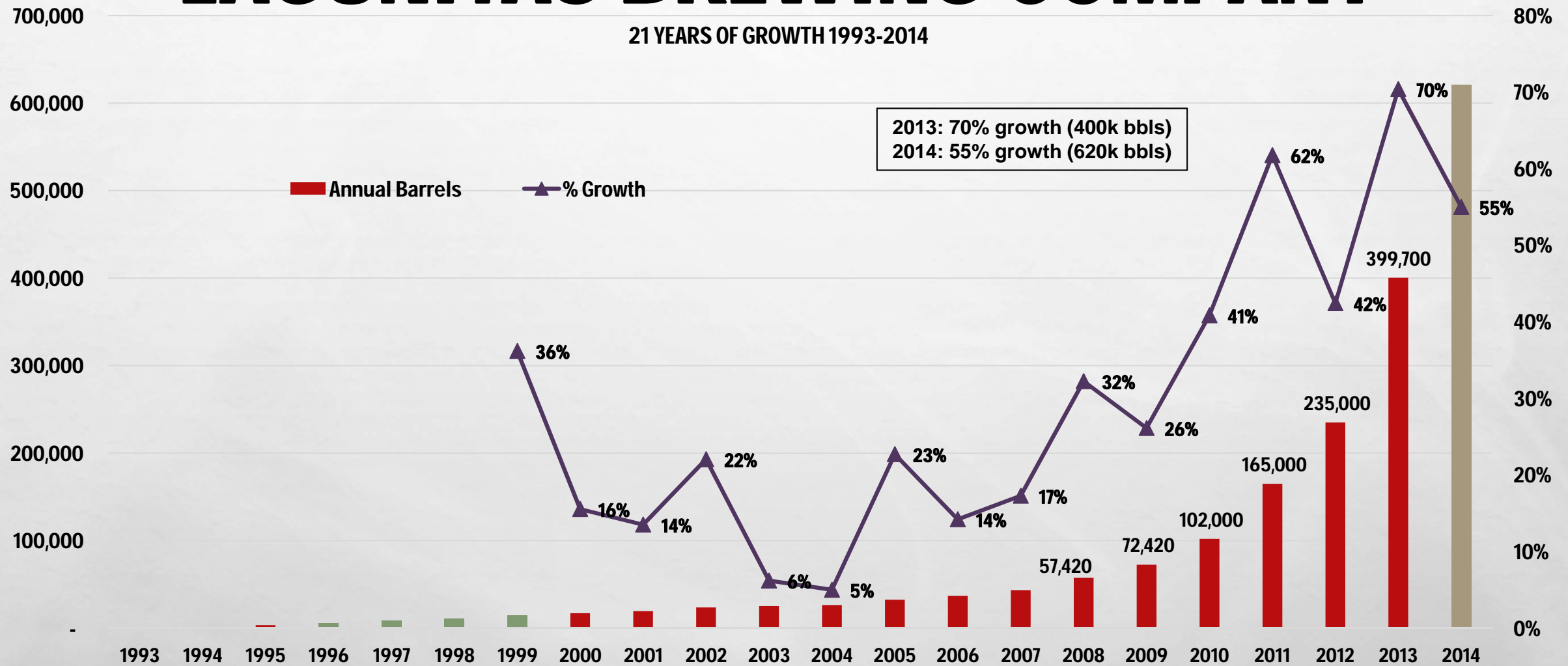


GROWTH: A BULL IN A CHINA SHOP

- **LAGUNITAS HAS GROWN AT AN ACCELERATING RATE; THE RATE GETTING HIGHER AS WE HAVE BECOME LARGER; WE HOPE FOR ORGANICALLY SUPPORTED SUSTAINED “REASONABLE” GROWTH; MISMANAGED GROWTH CAN TEAR THE BUSINESS APART**
- **RAPID GROWTH MAKES IT FEEL LIKE YOU HAVE WORKED AT MANY DIFFERENT SIZED BREWERIES**
- **THE STRENGTH OF CRAFT BREWERS IS KNOWING A LITTLE BIT ABOUT A LOT OF THINGS; HOWEVER, INEVITABLY THIS WILL TREND TOWARDS KNOWING A LOT ABOUT FEWER THINGS**
- **FINDING THE RIGHT PEOPLE, TRAINING, SCHEDULING, SAFETY CULTURE, COACHING & PERSONAL DEVELOPMENT STRATEGIES**

LAGUNITAS BREWING COMPANY

21 YEARS OF GROWTH 1993-2014



Estimated

Projected

FINDING THE RIGHT TALENT

- **HIRING IS ONE OF THE MOST IMPORTANT ACTIVITIES WE ENGAGE IN AS MANAGERS**
- **ADS ON PROBREWER, BA FORUM, COMPANY WEBSITE CAN “DRAG THE NET” IMPOSSIBLE TO INTERVIEW ALL RESPONDENTS; WE ALWAYS RELY ON WORD OF MOUTH, INDUSTRY GROWTH DRYING UP TALENT**
- **MUST READ “BENEATH” THE RESUMES TO SPOT RED FLAGS OR SIGNS THE APPLICANT MAY FIT COMPANY ETHOS (VERY IMPORTANT), EMPLOYMENT GEOGRAPHY, & JOB REQUIREMENTS**
- **PHONE INTERVIEW (BIGGEST THING LOOKED FOR: ATTITUDE), PERSONAL INTERVIEW WHERE THEY MEET WITH THEIR DIRECT MANAGER PLUS 2 ADDITIONAL PERSPECTIVES (FROM PEERS, OTHER SUPERVISORS OR OTHER DEPARTMENT HEADS), AT LEAST ONE REFERENCE MUST BE CHECKED**

FINDING THE RIGHT TALENT, CONT.

- **HOMEBREWER WITH AN INTERESTING STORY NO LONGER CONSIDERED AT AGREED UPON SIZE**
- **PUB BREWER WITH NO PRODUCTION EXPERIENCE NO LONGER CONSIDERED AT A CERTAIN SIZE**
- **BREWING EDUCATION AND EXPERIENCE RARELY BACKFIRES IF THEY FIT AND ARE GROOMED RIGHT**
- **BE WARNED OF GYPSY BREWERS & SENIOR RECYCLANTS (WHERE HAVEN'T YOU WORKED?)**
- **DAVIS, SIEBEL, ABG INTERNSHIPS A PLUS: A WAY TO "TRIAL BEFORE YOU BUY" & THE BEST WAY TO BUILD VERSUS FIND BUILT TALENT**

TRAINING: THE INVESTMENT BEGINS

- **HIGHLY ENCOURAGE A 90 DAY PROBATIONARY PERIOD FOLLOWED BY ASSESSMENT**
- **ASSESSMENT BASED UPON CLEAR MATRIX OF TASKS SIGNED OFF AS “CAN PERFORM TASK “X” SATISFACTORILY WITHOUT NEED FOR SUPERVISION” BY SHIFT SUPERVISOR OR DEPARTMENT HEAD**
- **OBVIOUSLY SOP’S ARE WHAT MAKE THIS APPROACH SUCCESSFUL; RAPIDLY GROWING BREWERIES TEND TO HAVE MORE “FLUID” SOP’S AND THEREFORE MORE THREAT FROM “INTERPRETATION, IMPROVISATION & REGRESSION” (A GOOD SOP SHOULD HAVE THE DESIRED RESULTS REGARDLESS OF THE READER)**
- **TRAINING IS THEREFORE ALWAYS AN OPPORTUNITY TO TEST & VALIDATE SOP’S**

TRAINING, CONT.

- **THE RIGHT TRAINER: CHANCES ARE YOU KNOW WHO THEY ARE. ASK YOURSELF ABOUT ANYONE YOU WOULD NOT CONSIDER APPROPRIATE TO TRAIN A NEW HIRE, AVOID “THE BLIND LEADING THE BLIND”**
- **YOU GET ONE CHANCE TO INSTILL THE COMPANY ETHOS & SET UP THE HIRE FOR SUCCESS**
- **ONLY SUPERVISORS & DEPARTMENT HEADS CAN SIGN OFF ON PERFORMANCE**
- **PERFORMANCE ASSESSMENTS MUST BE IN WRITING & CONTAIN A SIGNATURE WITH ANY FEEDBACK**
- **CROSS TRAIN IN NEW AREA ONLY AFTER FULL CONFIDENCE & COMPETENCE IN PREVIOUS AREA**

SCHEDULING

- **CIRCADIAN RHYTHMS DICTATE ALMOST ALL HUMANS WAKE WITH SUNRISE & SLEEP AFTER SUNSET**
- **PRODUCTION BREWING ISN'T SO KIND TO NATURE'S INTENT**
- **WHEN INTERVIEWING, ASK THEM TO RANK 1ST, 2ND & 3RD SHIFT IN ORDER OF PREFERENCE, REGARDLESS OF HOW THE POSITION IS ADVERTISED**
- **IF STRONG SUPERVISION EXISTS, START HIRES ON INTENDED FINAL SHIFT HOURS; IF IT DOES NOT THEN TRAIN WHERE THERE IS THE BEST SUPERVISION (USUALLY 1ST OR 2ND SHIFT)**
- **ROTATION IS DEMOCRATIC BUT OFTEN IMPRACTICAL WITH SENIOR BREWERS "MARRIED" TO THEIR SHIFTS AND RUNS THE RISK OF RUNNING OFF THOSE UNABLE TO DEAL WITH 3RD SHIFT**

THE GRAVEYARD SHIFT

- **“I FEEL LIKE THE RED-HEADED STEP-CHILD OF THE BREWERY”—ACTUAL QUOTE FROM FORMER BREWER**
- **VERY RARE TO FIND PERFECT, 100% A-OK WITH 3RD SHIFT BREWERS**
- **A RITE OF PASSAGE: EVERY BREWER MUST COMPLETE AT LEAST 3 MONTHS. NO LEARNING LIKE LEARNING WHEN THINGS GO BUMP IN THE NIGHT**
- **4 X 10'S, GRAVEYARD BONUS, % DIFFERENTIAL OR SHIFT PREMIUM A MUST, 7P-5A MORE ATTRACTIVE**
- **DESPITE ANY REWARD, ONE NOT BUILT FOR 3RD SHIFT WILL EVENTUALLY CRASH & BURN; THE SHIFT WILL BEGIN TO AFFECT THEIR ATTITUDE AND PERFORMANCE, IT'S A QUESTION OF WHEN**
- **HIGHEST TURNOVER, COMMON EXPERIENCE: ASK FOR DAY SHIFT & QUIT BEFORE ONE CAN BE ARRANGED**

SAFETY CULTURE

- **SMALLER BREWERIES ARE GENERALLY MORE IGNORANT OF SAFETY, BUT OFTEN ODDLY SAFER BECAUSE TEAMS ARE MORE INTIMATE; WISE WORDS FROM GERMAN BREWER "A BIG DOG TAKES A BIG \$H!T"**
- **AS THE BREWERY GETS LARGER SO DOES THE POTENTIAL FOR INJURY & POTENTIAL SEVERITY**
- **SAFETY IS THREATENED BY RAPID EXPONENTIAL GROWTH**
- **SAFETY IS MORE THAN WHAT IS REQUIRED BY YOUR STATE, BUT THIS IS ALWAYS THE BEST PLACE TO START.**
- **HIGHLY RECOMMEND NEW HIRES UNDERGO SAFETY ORIENTATION BEFORE HITTING THE FLOOR (IIPP, HAZ-COM, EMERGENCY ACTION PLAN, FIRE PREVENTION, PPE, CONFINED SPACE AWARENESS, SAFE LIFTING, HEAT AWARENESS, CO2, FORKLIFT TRAINING, ELECTRICAL SAFETY BASICS, LOTO, FALL PROTECTION AWARENESS, RESPIRATORY PROTECTION, HEARING CONSERVATION...AMONG MANY OTHERS)**

SAFETY, CONT.

- **GENERALLY THE SMALLER THE BREWERY, THE EASIER IT IS TO GATHER ALL OF THE EMPLOYEES TOGETHER AND COMPLETE THE TRAININGS, OR GATHER FOR MEETINGS**
- **ALWAYS GET WRITTEN ATTENDANCE TO THE TRAININGS & RENEW AS REQUIRED (EVERY 1-2 YEARS)**
- **CONSIDER SHUTTING DOWN THE BREWERY TO ALLOW ATTENDANCE**
- **MAKE VIDEOS ENTERTAINING, HAVE SENIOR EMPLOYEES TELL STORIES, LET EVERYBODY TALK, MAKE IT FUN, BRING IN DOUGHNUTS OR PIZZAS, THE “VIRGIN AIRLINES” MODEL**
- **SAFETY MUST ALWAYS BE THE NUMBER 1 PRIORITY, SECOND TO QUALITY EVEN, DISCIPLINARY ACTION FOR THOSE WHO DISREGARD SAFETY IS A MUST, AND AS ALWAYS, LEAD BY EXAMPLE**

COACHING

- **COACHING IS THE ACTIVE ENGAGEMENT OF EMPLOYEES. CONTRASTS TO MENTORING (MORE "OFFLINE")**
- **2 TYPES OF FEEDBACK "PUSH" & "PULL"**
- **ALL EMPLOYEES WILL BENEFIT FROM COACHING, ESPECIALLY PULL STYLE (REQUIRES PATIENCE)**
- **IN HEAVY GROWTH ENVIRONMENTS, ONE OF THE HARDEST THINGS TO DO AND BIGGEST MISTAKES NOT TO DO IS TO "PUSH THINGS DOWN" WHICH MEANS TO TAKE YOUR RESPONSIBILITIES AND DELEGATE ONTO ANOTHER CAPABLE PERSON, THE NEW ENGAGEMENT FREES UP BANDWIDTH & OFTEN REWARDS THE PERSON WHOM YOU "PUSHED DOWN" TO. RESPONSIBILITY BRINGS FULFILLMENT**

COACHING, CONT.

- **WELL MAINTAINED & CLEAR, CONCISE JOB DESCRIPTIONS PROMOTE ACCOUNTABILITY**
- **COACHING ENHANCES PERFORMANCE & PRODUCTIVITY**
- **IT IMPROVES MORALE IF EMPLOYEES KNOW WHAT IS EXPECTED OF THEM & HOW THIS IS MEASURED**
- **LEADERS CAN BE DEVELOPED THROUGH EFFECTIVE COACHING**

PERSONAL DEVELOPMENT

- **IT IS IMPERATIVE TO GROW CERTAIN INDIVIDUALS ON THE TEAM**
- **IDEALLY GROW ALL MEMBERS OF THE TEAM**
- **THIS IS MORE THAN WORK MEETINGS AND TRYING TO FIND THE BEST BALANCE OF THE SCHEDULE**
- **CONSIDER COMPANY BREAKFASTS, COMPANY BBQS (WITH CHILI COOK-OFFS), HOMEBREW CLUBS, ROUNDTABLE TASTINGS, COMPANY FIELDTRIPS, COMPANY BALLGAMES, CONTINUING EDUCATION, VISITS TO SUPPLIERS ALWAYS A PLUS, WORKER EXCHANGE PROGRAM (IF > 1 PLANT)**
- **MAKE SURE AWARDS ARE MANAGED FAIRLY & TRANSPARENTLY**