If you read any article about how to and represented
Craft breweries operate in-
In his guest
The early conversations you
With the increased frequency of craft
OWNERS.
Sometimes the presence of a lawyer, accountant, or other financial professional can be the difference between securing a deal and losing out on an opportunity. These professionals can help you navigate the legal and financial implications of a sale, such as understanding the tax implications of a sale, assessing the financial health of your business, and identifying any potential legal risks.

THE BASICS.
A brewery or its owners should be
INTELLECTUAL PROPERTY.
Craft breweries operate in a heavily regulated industry. Just opening your doors requires a federal permit and bond and state and local licenses. The minute your beer crosses into a new state, you will need additional permits. There are also the brand registrations and label approvals. You likely have wastewater and possibly other environmental permits. Add to that the extra complication of periodic renewals of these licenses (with no particular rhyme or reason to the renewal dates), and it’s not hard to have something fall between the cracks.

You also need to be aware that changes in your business may require new permits or compliance with other requirements. Are you planning to move to a new location? Increase production? Open up a sampling room at your brewery or off-site? All of these may require new filings, fees and permits.

Because regulatory trip-ups are often violations of the law, they can be difficult or expensive to clean up after the fact. As such, buyers will want to see that you are not only up-to-date on your regulatory compliance, but also that you have clear procedures in place that ensure that you stay that way.

PUBLIC RELATIONS.
Craft brewing is a unique industry. Brewery owners, employees and customers develop an emotional connection with a product as well as the team behind it—something that isn’t seen in many other industries. Fans not only want a great beer, but also a great story, and that story is no less important at a time of transition than it is at a brewery’s inception. Fail to have a compelling story, or fail to effectively communicate a good story, and you risk alienating a passionate beer-drinking community—your greatest source of future growth.

The drafting session for a press release announcing a signed deal is the wrong time to figure out how to tell the world the “how” and the “why” for your sale. Ideally, your story should flow naturally, and should connect your past, present and future in a way that stays true to your company’s ideals and philosophy, while demonstrating the need for change and communicating how this transition will work to make that happen. It should also be developed well in advance of any sale, as it can serve as a guide both to you and to your advisors, as you seek the right buyer and transaction structure in order to ensure a successful transition.

These ideas seem common sense, but are often overlooked. Taking the time to consider whether your craft beer business is well-positioned for a sale and assembling and talking with a trusted team of advisors will pay off for your business, whether or not a sale is in your immediate future.

EDITOR’S NOTE: Mike McCann is the chairman of Kansas City-based law firm Spencer Fane’s corporate practice group. Since joining Spencer Fane in 1990, McCann has represented several businesses through important business decisions, mergers, and acquisitions. He most recently worked with Firestone Walker and Boulevard Brewing in their sales to Duvel Moortgat USA and represented 10 Barrel Brewing in its sale to Anheuser-Busch InBev. In his guest column above, McCann shares eight critical lessons for brewery owners considering their own succession plans. McCann will also present at our Dec. 3 Brewbound Session in San Diego, Calif., and participate in two, intimate financial planning work sessions with brewery attendees.