

ARTISAN SPIRIT

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THE MAGAZINE FOR CRAFT DISTILLERS AND THEIR FANS

AMERICAN PEAT
CAN IT BE SUSTAINABLE?

when
BACTERIA
ATTACK!

SELLING *old* SPIRITS
TO A *new* GENERATION

SOS
A CALL TO ACTION

DUNGEONS &
DISTILLERS
A DIFFERENT KIND
OF PEER SUPPORT

The Birth of Barrels & Billets

The First WoodCraft Bourbon Blender Franchise

Barrels & Billets, a custom bourbon distillery in downtown Louisville, Kentucky, is located next to the Louisville Slugger Museum and Factory building on West Main Street. The marriage of these two businesses — baseball bats and bourbon — can be summed up by words printed on the t-shirts they sell celebrating their signature item — *it's all about the wood*. As with bats, wood is also important in the making of bourbon. As you may recall, 70 to 80 percent of the flavor of America's native spirit comes from the interaction between the spirit and the wooden barrels used to store it.

How it all began

The idea for Barrels & Billets began in 2021 with a meeting between myself and John Hillerich, president and CEO of Hillerich & Bradsby (H&B) set up by a mutual friend. A fifth-generation family firm, H&B has been making

Louisville Slugger baseball bats since 1884. Today, the Louisville Slugger Museum and Factory is the number one tourist attraction in Louisville.

When we met, he was looking for new experiences to offer customers on their campus. I shared what I learned from our experience running a company that guides customers through the art and science of creating custom blended bourbons. I explained we were working on turning it into a franchise business that could be scaled and reproduced across the U.S. and around the world. I joked that the concept of franchising a bourbon distillery was unique to say the least.

Hillerich was interested; however, he made it clear what he did not want. "I'm not interested in opening a bar, a restaurant, or a high-volume distillery," he explained. "I'm interested in selling experiences. We are great at experiences. And, they are far more profitable."

System Thinking Connected Us

The friend who connected us did so because he knew that we both believed in the "systems thinking" discipline introduced to Japan following World War II and in the U.S. in the early 1980s by Dr. W. Edwards Deming. To that end, I explained the systems which would enable the custom bourbon business to be both scalable and profitable.

- 1) There are six WoodCraft finished bourbons that are scalable and reproducible: American oak, European oak, 200-year oak, cherry wood, maple wood, and smoked oak.
- 2) The use of custom blending machines to create a custom bourbon bottle allowing customers to choose the brand name and the blend of the six bourbons in less than a minute and another machine for bars with a 12x12-inch footprint that can pour more than 100 individual custom bourbons each hour.

- 3) An artificial intelligence app called WoodCraft Bourbon Wizard where consumers answer 13 questions to create their personal custom bourbon recipe.
- 4) A 45-minute custom bourbon experience that helps customers create their own bourbon recipe in a captivating and engaging way.

I summarized the WoodCraft custom bourbon concept to Hillerich as "Build-a-Bear for adults."

The Importance of Authenticity

Today's consumers demand authenticity. Fortunately, like Louisville Slugger, the custom bourbon experience is rooted in 1800s Kentucky. At that time, most distilling was done by farmers as a way to monetize their excess grain. The raw spirit was bought by barrel blenders on "Whiskey Row" (aka Main Street) where the Louisville Slugger Museum is located. Consumers would then take their clay jug into the merchant and get their bourbon/whiskey blended to their taste preference. This went on around the world with the most famous being a grocer named John Walker, the man behind Johnnie Walker Scotch.

Creating The Distillery Branding & Facility

A few months later we gathered Hillerich's team for an inventing session, led by my other company The Eureka! Ranch. The mission was to create a brand name for the H&B distillery, marketing ideas, and a design for the corner space that in another life had been a parking garage.

It was during the inventing session the name Barrels & Billets was born. "Barrels" being a nod to J. Frederick Hillerich, a German woodworker and barrel maker who immigrated to the U.S. in 1842. "Billets" was a nod to his son "Bud" Hillerich, who famously

(A) The first WoodCraft Custom Bourbon franchise located at the Louisville Slugger Museum Building in Louisville, Kentucky. (B) Tables prepared for a large group attending a Custom Bourbon Experience where they learn the history of barrel blending, taste six bourbons, craft their personal bourbon and purchase a bottle to enjoy at home. (C) The Teaching Bar serves custom bourbon the way customers desire, after they have secured their recipe. (D) The Custom Bourbon Blender machine enables the team to quickly fill custom bottles of bourbon. It is essential in allowing franchisees to have low inventory, yet able to create unlimited product offerings on demand. (E) Customers provide their custom bourbon recipe and name, and the Custom Blending Machine makes a custom bottle — blending the bourbons in less than a minute.

created “billets,” the cylindrical pieces of wood he turned into baseball bats.

About a month after the session, COVID-19 shut the world down. Despite this development, Hillerich made the decision to keep moving forward. Plans were drawn to develop a space that was “inspired by the 1800s.” It was designed to be approachable, not stuffy or pretentious. The final distillery design is roughly 2,800 square feet and includes a 340-square foot bonded space where the custom bottles are produced along with a teaching bar, a bottle shop, restrooms, and two experience rooms.

During construction, General Manager Emma Chandler and her team went through training on the systems that Joe Girgash, COO of WoodCraft Bourbon Blender, developed for greeting and customer engagement, leading experiences, managing the teaching bar, custom bottle production, and the many other details of running a distillery.

The Opening

Barrels & Billets had a soft opening on a cold and wintery day during the last week of February 2022. The response was beyond our expectations. Many local TV stations did stories on

this unique addition to the Louisville Bourbon scene. It was especially encouraging to see how our fellow distilleries were supportive of what we were doing.

Emma did a masterful job developing her team. As she said, “It’s important that every member of the staff buy into the whole experience. We are not a bar, a 45-minute experience, or a bottling facility — we are all of them. The most fun for me has been seeing the staff grow and take ownership of the entire customer experience.”

One of the greatest compliments I received about the new venture came later that fall when I met with a team of executives who had visited Barrels & Billets. They told me they had visited in early April. When I explained that we’d only been open for about six weeks, the CEO responded, “That can’t be. The place ran so smoothly, I figured it had been opened for a couple years.”

It’s now been a year since we opened. I asked Hillerich how he felt about the project and he summed it up by saying, “It brought a new energy to our company. The creativity inherent in the experience has been infectious across our museum and factory. It has brought everyone together.” AS
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Note: Early on we decided to implement a “soft brand” approach to franchising to be able to leverage local connections and individuality as opposed to one national name. Each franchisee has its own identity and features its own brand name with the words “WoodCraft Bourbon Blender” in small print underneath it.

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