

QUALITY ON THE *Road*



“Our focus is always to offer the best possible service, regardless of size and volume.”

The daily commute into the bustling financial district of New York City can prove inspiring on a number of different levels. Watching the wheels of industry and high finance turn can truly motivate. Tyler Wille was working for a major financial institution in the Big Apple. But his passion resided outside of the walls of high finance.

He wanted to start a brewery.

However, Wille's analytical mind wouldn't allow him to just plunge in head first without looking at start-up costs, overhead, business cycles and other financial hurdles. One thing was certain — the craft beer industry was on the upswing. So why not service the industry he loved. Colorado caught his attention, where the craft beer industry had been in full swing for quite some time, and observed how the canning sector was reaping the benefits of the craft movement. *Spotlight on Business Magazine* spoke with Iron Heart Canning's current President, Joe Marston about Wille's initial vision and the company's beginnings, along with their unwavering commitment to quality.

By John Allaire

Wille noted after observing the Mid-west and West Coast industries that there was little if any equivalent mobile canning suppliers in the Northeast. And with breweries popping up in the east at an alarming rate (and within close proximity to each other), mobile, on-site, beer canning made sense for new businesses without canning and packaging infrastructure in place.

The day finally arrived in 2013 when Wille jumped ship out of the financial world and took his crew of one or two on the road across New England, canning craft beer with their new mobile canning line. Months passed and, as the business began to build, Wille found he couldn't keep up with demand. So he added crews in Vermont and New Hampshire to relieve some of the pressure.

However, the 2015 birth of his child led him to the realization that he could no longer work 110 hours per week. Changes were in the offing, and Wille sold Iron Heart to private investors who brought in Joe Marston to manage operations. Wille remained on the company's Board for a year, but returned to working operations in 2016.

Marston is quick to point out that Wille's dedication to quality resonates today with the company's 17 satellite locations and 33 canning lines. All-in- all, the company employs over 100 people. And their coverage map is expanding. "It certainly is a huge span of coverage compared to where we started," Marston points out. "Our company feels large because of the coverage area."

Naturally, mobile canning lines service mainly smaller independent breweries. This means working with people and companies who have a wide and vastly differing range of needs and expectations. Marston explains, "We work with a hugely diverse group of people. You have mom and pop, father-son, husband-wife businesses. Or you might have investor-brewer relationships. That's actually happening quite a bit right now where someone's seeing a brewery as a great investment opportunity but aren't the brewers

themselves."

One of the characteristics of the craft movement is that some of the more popular breweries have moved to the forefront of the craft industry and, in a way, are beginning to resemble macro-breweries in their production styles and volumes.

Marston explains that their needs are quite different from those of the smaller, family-run operations.

"Some of the small mom and pop businesses, I view those contracts as easier to relate to the people because you get to actually talk to and work with the owners. You can see their motivation right in front of you. You can actually get immediate feedback and figure out needs on the spot. That sometimes can get lost with larger companies. Our focus is always to offer the best possible service, regardless of size and volume."

He goes on to point out that there is a certain satisfaction to be gained from problem-solving and taking an active role in the packaging plans for, in many cases, new and inexperienced brewers. "We do know where we offer value, and for the smaller businesses who know nothing about canning or packaging their beer at all, we can really bring a lot to the table and help them grow their business and be successful. That's a good feeling. We're helping maybe a father and son who used to home brew for five years and decided to turn it into a business. They look to us to help them grow. That's the stuff that keeps me going every day."

Quality service is obviously the key in maintaining the relationships that Iron Heart Canning has developed with its customers. Marston points to personal experiences as being a motivator in quality assurance. "We've all had to deal with poor service at one time or another in our lives. We make sure we offer the best possible service by following up. We ask, we listen and we try to work hard to fulfill needs. If there's anything a client wants done differently,



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in that sense we're still a small company. We are happy to make changes and accommodate as best we can."

The first question Iron Heart asks when approached by a new client is "What do you know about canning?" Marston elaborates that canning and packaging beer isn't quite as simple as forcing suds into cans and sealing them. "Part of our service is explaining what canning does for a brewery, from the conditions for the beer, right down to how packaging and distribution will help in their success. When they are a new brewery, our mobile aspect makes sense. Their volume might not be there yet, so we guide them on figuring out what their market might be like for beer in cans, and how often they will need to use our services. They don't need to buy a \$150,000 machine that they won't be able to pay back for several years."

Mobile canning also has the ability to become the yardstick in measuring volume demand, leading to future brewery expansion. "It helps breweries grow a revenue stream, maybe buy more tanks and see if the volume of their canning supports what they are producing." He also explains that rapid volume changes, perhaps due to special events or increased demand, make mobile canning indispensable for many craft breweries. "We scale up with our clients as much as they need to. So they come to us and say 'we need x more cans every week, starting next week.' We can do that."

A large part of what Iron Heart does for breweries is remove

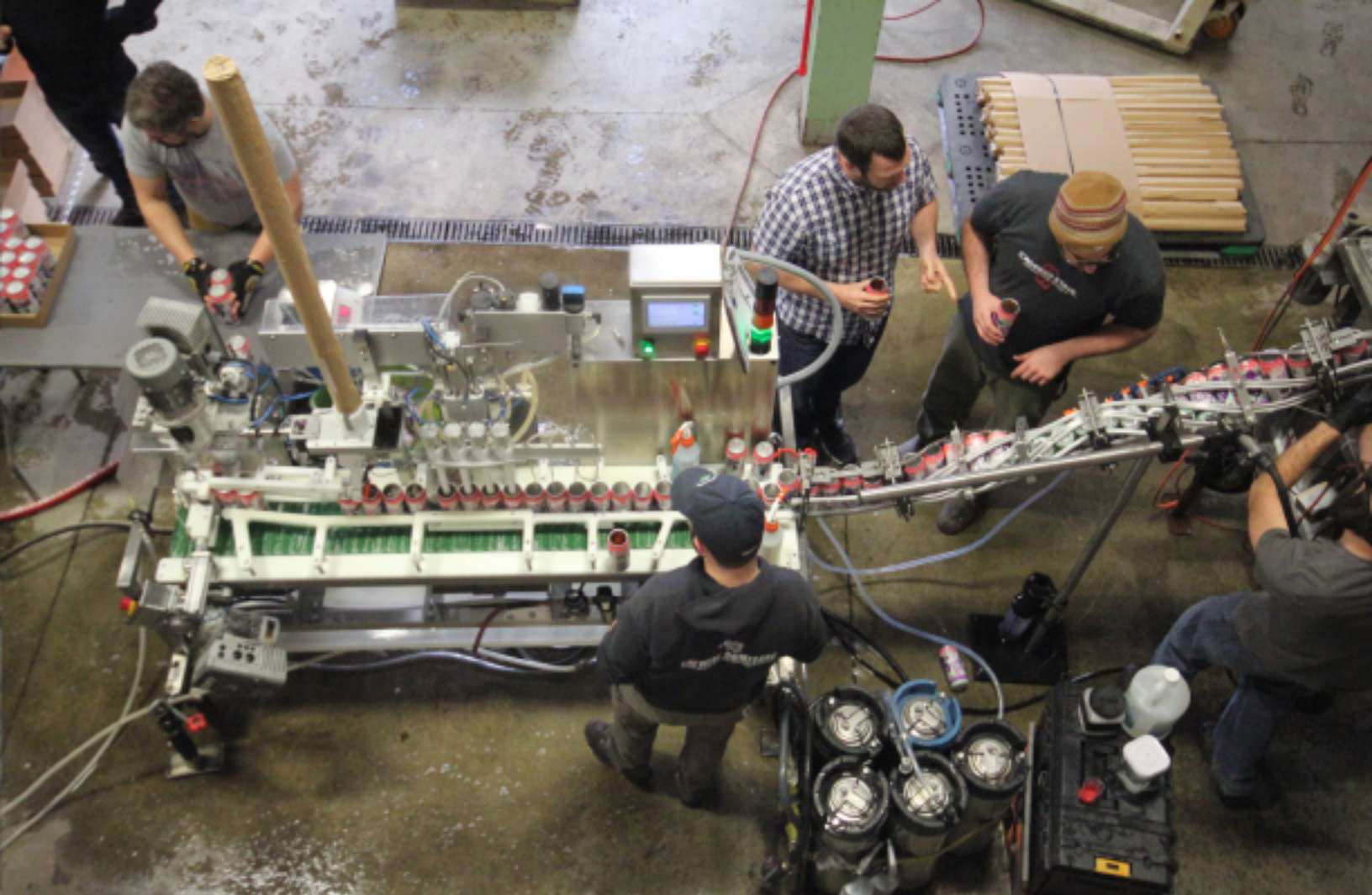
a level of labor and administration from businesses that are generally more focused on forging relationships with customers, rather than worrying about materials for packaging. Iron Heart has developed partnerships with suppliers of all the materials for canning and packaging (printed cardboard, labeling, etc.).

"For the small mom and pop who has no experience with what the best packaging prices are and where to get everything, that's where we step in. We have a pretty unique economy of scale going now, so we have very competitive prices. In fact, we have vendors who want to work with us because of our volume business. And we then work directly with the breweries and get them what they need."

The mobile "pay-as-you-go" type service provided by Iron Heart Canning also helps breweries combat an almost universal ongoing battle — space in their brewhouse.

Marston points out, "Instead of buying pallets or a bulk trailer-load of cans, they can just buy the exact amount they need. So they aren't going to pay for and store a year's worth of cans. They are able to get what they need for their monthly runs and that's it. So that helps with their cash flow, because they aren't tying up cash in supplies that are just sitting there for most of the year."

Of course, experience also factors into the discussion. Training and paying staff to operate a canning line may work



for large macro-brewers, but for most craft brewers, keeping labor costs down is essential. Placing the onus of quality control on experienced canners on a pay-as-you-go basis, as well as not having to deal with equipment maintenance and repairs, makes financial sense for many small brewers. More importantly, it allows them to focus their labor expenditures on brewing, serving and distributing their products.

Asking Marston about the craft beer industry in general, he figures the breaking point is different from region to region. "Some areas are up and some are down. For us, we're noticing that the Mid-west is ramping up. Like Ohio and surrounding areas, they're a little behind the wave of craft breweries that hit the Northeast a few years ago. So they're busy areas."

Fear not for the future of Iron Heart Canning. Even if there is a shift or saturation point in the craft brewing market, Marston points out that service diversification is the key. "We are not going to be a one-trick pony and just can beer. We also can craft ciders, and a few cold-brew coffees. Also in the plans this year are canned wine and cocktails, with wine potentially being the next canning revolution. Some wineries are looking at getting ahead of this trend so we're helping them get there."

Always ahead of the curve themselves when it comes to research, innovation and quality control, Marston doesn't want Iron Heart to bite off more than they can chew in the short term. "We are going to focus on providing contin-

ued quality service in the areas we are currently in. I can't see us expanding west of the Mississippi in the next few years... but I could be totally wrong! We could add some more support and then suddenly the west is a good idea. We have a great model that works, so who knows!" ●

