

Shmaltz's schtick fuels growth of beer brands

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Jeremy Cowan has run Shmaltz Brewing Company long enough to pick up this important business truism: They might come in for the style, but they come back for the substance.

Since starting Shmaltz in 1996, Cowan has whipped up an award-winning collection of beers under the He'Brew and Coney Island Craft Lagers labels. His craft beers have become favorites with beer connoisseurs, scoring strong reviews and numerous medals.

Shmaltz's sales shot up nearly 50 percent in 2010 after Cowan filled out his sales and support staff to complement the company's extensive grassroots marketing effort. He also brewed up a little more interest with the release of his book: "Craft Beer Bar Mitzvah."

Of course, Shmaltz's quirky and catchy packaging still did as much to grab new customers as anything he put inside the bottle.

"The first bottle off the shelf is always a challenge," Cowan said. "That's one of the reasons I tried to be provocative and hire talented artists for our packaging. People are recognizing our company's efforts to make spectacular packaging so the consumer is attracted to that first purchase."

The bold packaging and the names of He'Brew beers celebrate Cowan's Jewish heritage. They're marketed under the tagline, "The Chosen Beer," with names like Jewbelation and



"People are recognizing our... spectacular packaging," says Cowan.

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Rejewvenator. All the beers in the He'Brew label are certified kosher, Cowan said, a move he made "so the entire community felt confident in having them ... as part of ... celebrations."

One of the most popular offerings is Bittersweet Lenny's R.I.P.A., a rye-based India pale ale named after caustic Jewish comedian Lenny Bruce. In keeping with Bruce's notoriously outré comedy, the label notes the recipe's "obscene amount of malt and hops."

"The schtick helps attract people the first time," Cowan said, "but the schtick also informs the ... recipes."

And it's those recipes that have

helped fuel growth. Shmaltz now contracts most of its brewing and ingredients to Mendocino Brewing Company in Ukiah. Today, its beers are sold in more than 30 states. It has operations in New York, and in the past 10 months it has added four employees. It started the Coney Island Craft Lagers label in 2008, building a craft-beer culture around that brand. It holds several festivals a year and eventually Cowan hopes to open a restaurant or brew pub.

Shmaltz already enjoys a following in the Bay Area. Beer Revolution, a shop and bar in Oakland, always has a Shmaltz offering on tap or in the cooler.

No. 78

Shmaltz Brewing Company

Growth: 47.7%

What it does: Brewer of He'Brew and Coney Island Craft Lagers.

CEO: Jeremy Cowan.

HQ: San Francisco.

2011 employees: 11.

2010 revenue: \$2.31 million.

2009 revenue: \$1.88 million.

2008 revenue: \$1.56 million.

"About 30 percent of the people who walk in are looking for He'Brew or other Shmaltz beers," said owner Rebecca Boyles. "If we didn't have the Lenny's Bittersweet or the Messiah, people would freak out."

Boyles has already lined up at least a dozen other brewers to participate in Shmaltz's Freaktoberfest, which Beer Revolution will host Oct. 30. It's a celebration of Shmaltz's beers, and the type of event that pushes Cowan to keep growing his company.

"I like making products and collaborating with creative people," Cowan said. "I never intended to be a manager ... or hire consultants, but that's an evolution that has to happen as the company grows."

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