

CRAFT SPIRITS

DISTRIBUTION

FOR ALL

Billing itself as the Airbnb of alcohol distribution, LibDib offers all craft distillers access to the marketplace via an online platform.

BY JON PAGE

Jenny Solberg Katzman started receiving the calls in 2017. An account planned to open in New York City and demand for Rhine Hall Mango Brandy was strong. The only problem? Rhine Hall Distillery (which Jenny co-founded in 2013 with her father, Charlie Solberg) is based in Chicago and had no relationship with a distributor in New York state.

Katzman quickly realized that traditional distribution in New York wouldn't work for Rhine Hall. Distributors told her that Rhine Hall wouldn't sell at its price point, that it didn't have enough volume to be a priority. Then Katzman heard a tip from an industry acquaintance about a startup helping small alcohol producers distribute out of state. "LibDib kind of fell in our lap," Katzman says. "It ended up being a fantastic solution for us in New York."

Short for Liberation Distribution, LibDib bills itself as the Airbnb of alcohol distribution, giving makers of wine and craft spirits a three-tier compliant web-based platform to

sell wholesale alcohol. Using an online platform, makers can choose which products they want to sell in specific markets and can name their own price. Via an online marketplace, retailers, bars and restaurants can place orders that are to be fulfilled by the winery or distillery. LibDib, which launched in March 2017, provides the suppliers with instructions on how to ensure the shipment is compliant.

"Craft distilleries have many challenges," says Cheryl Durzy, LibDib's founder and CEO. "They can't ship across state lines to consumers, they're often too small to get distribution because of the consolidating distributor side of the industry. So, our company offers distribution for anybody that wants it. Our goal as a company is to be everyone's first distributor, so when they start off with a distillery, here you go, you have access to the marketplace through LibDib."

While wineries and distilleries from anywhere in the United States can offer their products on LibDib, distribution is currently

limited to California, New York and Wisconsin. However, LibDib is soon adding Colorado and it recently announced a partnership with Republic National Distributing Company, which operates in 22 states.

Durzy understands the challenges of distribution because she struggled with them while working for her family's winery prior to starting LibDib. Building a traditional distribution channel required an extensive amount of time, money and resources—something most new craft distilleries don't have. "You have a lot of craft distilleries where it's just a few people, so you have to put your resources where it's going to be most successful," says Durzy. "Here you don't have to have a massive investment up front. You can sell into a market [one case at a time]. It gives an opportunity for growth without putting tens of thousands of dollars into a marketplace."

That sentiment rings true for Amy Bohner of Alchemy Distillery in Arcata, California, who co-owns the distillery and a construction



Steve Bohner of Alchemy Distillery

company with her husband, Steve. When she first heard of LibDib, Amy thought it sounded too good to be true. "The retailer is ordering directly and [our product is] theirs to keep whether it sells or not," Bohner says. "We can pursue more accounts or not. There's so much flexibility."

In particular, Bohner enjoys the flexibility of staying with her local distributor while also pursuing new markets. When Alchemy wanted to sell its whiskey and gin in the San Francisco Bay Area, the Bohners couldn't imagine working with a larger distributor. "We were afraid they would say, 'Okay, but you have to give up your local account with Humboldt Beer Distributors,' and we just don't ever want to do that," Bohner says. "They're really small like us, they're family owned ... and I plan on having them until the last bottle we ever want to distribute."

A non-exclusive arrangement also appeals to Michael Myers, the owner and distiller of Distillery 291 in Colorado Springs, Colorado. The distillery self-distributes its products in Colorado and partnered with LibDib to distribute its Colorado Rye Whiskey and Colorado Bourbon Whiskey in Southern California. Now that LibDib is expanding distribution to his state, Myers has yet to feel any pressure to use LibDib in Colorado. Myers says his experience with LibDib has been "stellar" and eagerly encourages other distilleries to give it a try.

"It was easy to sign up," Myers says. "We're not tied to them. We can not use them or we

can use them at any point, which sounded great. ... They're a very good partner."

Myers adds that the technology behind LibDib is user friendly. "It allowed us to go open an account [in California] and put the order through standing in the store," he says. "Here in Colorado, the email came in and [our team] started packing it before we walked out of the store."

Katzman enjoys the ability to easily access sales numbers, as opposed to wondering how many of her products are sitting in a warehouse. "In terms of having a clear picture of your success in a market, it's nice to know the product is actually getting used per case you sell versus not knowing," she says.

LibDib can present challenges, however. For Bohner, the most difficult aspect was connecting with the right person at FedEx to setup an account to ship alcohol (she succeeded on her seventh try). But the biggest hurdle facing craft distillers is selling their products. While LibDib provides the occasional sales lead, Durzy is quick to remind distillers that their destiny is in their own hands.

"It's ultimately up to the suppliers to be contacting people and build those relationships," Durzy says. "We are probably one of the first distributors to say we encourage that. We want them to be able to sell to each other and have that relationship. I don't see any better salesperson than the maker themselves." ■

Andrew Kaplan contributed to this story.



LibDib founder & CEO Cheryl Durzy