



Season 2 - Episode 4 “Plan, Pivot, Prosper, Repeat.”

Welcome to the fourth episode of Season 2 of the NJFPA Stradley Ronon Food Forum Podcast. In this episode, [Bill Mandia](#), Partner at [Stradley Ronon Stevens & Young](#), speaks with [Luke Bowen](#), co-founder and president of [Evil Genius Brewing](#). They talk about the many surprises and pivots along his professional journey.

Guest Bio:



An article on [BreweriesInPA.com](#) starts off by saying that “when life gives you lemons, you make lemonade; Evil Genius Beer Company founder Luke Bowen did just that when he took the economic crash of 2008 and created a brewing company. Bowen fell in love with beer from an early age as he was exposed to quality craft brewing through his father, an avid beer fan himself.

After going to college and securing a job Bowen was safe and financially stable, but wasn’t fulfilled – “I had my degree and the fancy job after college that you’re supposed to get and I just wasn’t happy at all” the article continues.

Today, Evil Genius is one of top 250 breweries by volume in the US, with distribution in Pennsylvania, Delaware, New Jersey, Massachusetts, Connecticut, and Rhode Island. Outside of Evil Genius, Luke has Co-Authored Academic Papers which have been published Internationally on Advertising Strategy, Market Research Best Practices, and Corporate Social Responsibility.

Listeners will hear:

- How recessions can be the best time to start a business.

- How COVID changes affected packaging, distribution, and supply chain.
- Luke's biggest surprise at what his MBA didn't prepare him for.
- The benefits of switching from glass to aluminum.
- How he is planning on taking advantage of this "transitional time" to strengthen his business.
- That the human side of the business is just as crucial as the nuts and bolts.

Edited Interview Transcript

Bill Mandia [0:52]

Hello, and welcome to another episode of the Stradley Ronon New Jersey Food Processors Association podcast. Today, I'm really excited to have Luke Bowen from Evil Genius on as our guest. Luke you're the first beverage guest we've had and I figured there's no better beverage to start with than beer. So I'm very excited to have you on today. If you could, just tell the listeners a little bit about yourself how you got into the industry. And then if you could talk about Evil Genius and what it does.

Luke Bowen [1:21]

First of all, thank you for having me on. I'm happy to be your first beverage guest. Definitely, beer is a good way to kick things off. I always wanted to be in the beer business. Ever since I was in college. Like every college guy, I think, I had a hankering for alcohol in some way and really wanted to learn so much about beer and what the business was, and how the industry operated. To be perfectly frank, it all really started with a girl. I dated somebody in college and after whose father used to run Rolling Rock in Latrobe, PA for 20 years. At the time when I met him, he was running Sierra Nevada brewing company out of Chico, California. I was just completely blown away by how cool the industry was and how much fun people seem to have doing their jobs. But also this was a pretty good business. This was in 2004, 2005, 2006, really in that second wave of American craft beer, which really started in the 90s. Or peaked first in the 90s, down a little bit and then was riding its second wave.

I saw it being something that was really commercially viable, and also a lot of fun, which is really what everybody wants a job, right? So I made it my mission to get into the industry, by hook or by crook then found myself battling the recession, like a lot of other people were in 2008. I was in graduate school at Villanova University, which is where I met my now business partner, Trevor Hayward, who's actually from Dublin, Ireland, and moved to the US to live with his brother who had immigrated here about 10 or so years before. And he was obviously a beer enthusiast. We hit it off right away, and both put our heads together and said, Hey, recessions are a good time to start businesses. Because we're not getting jobs coming out of this, or it doesn't look like we are so we might as well do our own thing. That was really where the idea for Evil Genius sparked. Now we actually turn 10 in September. So a decade later, here we are.

Bill Mandia [3:33]

Very cool. So can you talk a little bit about your brand? One thing I'm interested in is how you came up with the name Evil Genius, I love it. The brand, the kind of beers you produce, and what things have been like over the last 10 years, right up until we get to the pandemic, and then we can transition the conversation a little bit to how that's been, and where you see things going.

Luke Bowen [3:59]

First, about the brand, it's supposed to be fun. Evil Genius is very casual. It's very whimsical, it's a little cheeky, Even the names of our beers are a little off-center. And that's just really who we are. It was really a reflection of both of our personalities through our products, and people seemed to get our jokes and have our same sense of humor. I think that's one of the reasons why the brand Evil Genius and some of the products that we released like Stacy's Mom, #Adulting, Purple Monkey Dishwasher, have resonated with people in the way that it has. Then part of our goal there is really just trying to innovate and use the Evil Genius name and what it symbolizes as a tool for innovation and allowing us to really push the boundaries and use wacky flavors in beer.

Purple Monkey Dishwasher is a chocolate peanut butter porter and we just made a beer collaboration with 1-900-ICE-CREAM. We made a peach cobbler Ice cream IPA, which is just amazing. So we're always looking to try something new, try the next thing. But also, stay true to our core beers, Stacy's Mom is our Citra IPA, it's our best selling brand. So our core lineup is really our focus, but we're always trying to push and try something new and that's really part of our company culture and who we are.

Bill Mandia [5:25]

So what are some of the places where folks could try your beers out if they're so inclined?

Luke Bowen [5:30]

We have our taproom and brewery on Front Street in Philadelphia, in the Fishtown neighborhood. We also distribute from Southern Maryland all the way up to Massachusetts. You can find us in big retailers, Walmart, Giant, Wegmans, Total Wine and more, Whole Foods, Weis Markets, and then all the way to your local taprooms in your neighborhood, as well as some of your local grocery stores and retailers.

Bill Mandia [5:57]

So it sounds like you've had some really nice growth over the last decade, can you talk a little bit about your strategy and how you've executed it?

Luke Bowen [6:05]

Our strategy was, we knew that alcohol works within that three tier distribution system, that all alcohol producers have to navigate through. So our real strategy was, let's just go

out and get as much distribution as we possibly could, and sign as many wholesalers and open as many new markets early on as a company. Because we realized that that was going to be the bottleneck that brands were going to have to fit through, and it was going to get increasingly more competitive. So we launched a whole bunch of territories, and then set out strategies really for a three to five year plan in each of them for how we were going to grow. Whether that involved the combination of human resources and marketing or just marketing dollars for a period of two years until we put some salespeople and /or street teams in that market to really do a lot more grassroots and guerrilla activation for the brand.

We had a home and away strategy. Our local markets here in the Greater Philadelphia area, obviously, behave differently. We sell a lot of beer close to home, but actually sell a lot of beer in our far away markets too because I think Evil Genius, as a brand, travels well. We're from Pennsylvania, but we don't double down on any one geographic locality. You can mean something to people in California or Philadelphia. So, we have those two strategies running simultaneously. That was really a catalyst for our growth. For the first eight and a half years of our life, before COVID, we were selling as many ounces of beer as we could brew. It was crazy.

Even in the beginning of COVID, when people were panic buying and stocking up the shelves, and drinking at home, things continued to take off like a rocket ship. It was a good run, obviously. I think those strategies and that way of looking at the market continue now even as we're in our second phase of what COVID-19 really is, I don't think we're quite out of it yet. We've got some stuff that works for us and we're going to be pretty consistent with applying those same formulas with some tweaks to this new market, new economy.

Bill Mandia [8:17]

So whenever someone starts on an entrepreneurial journey, there's a lot of unknown. There's probably certain things you expect are going to happen that maybe do or don't happen. But I'd be curious to hear from you, what was the biggest surprise for you in terms of something that you never thought would happen, or something that you expected would happen that didn't. I think it's always helpful for folks who listen, who are entrepreneurial themselves to hear these sorts of stories about how the journeys went for another entrepreneur.

Luke Bowen [8:54]

My partner and I, we were freshly minted MBAs from this nice university. We thought we had all these great plans and strategies for how this was going to work. It was just going to follow this very linear path. It didn't work out like that at all! As well as you want to be prepared for something, you can throw a lot of that just out the window from day one. I think that was the thing that surprised me the most because you always read a lot of books, and people are like, well, I had this plan and this is how it worked. This is how it came to fruition. Then in our experience, and probably like a lot of others on this call, it just didn't work out that way at all.

We had to do a lot of pivoting. We had to be very agile and really expect the unexpected. To be perfectly frank, that actually prepared us really well for a lot of the stuff that we

experienced during our growth phase in those growing pains that we really went through. Then all of those compounded and prepared us for COVID. What got us through COVID is getting us through now. That was really the biggest surprise going into it. I thought planning things out, and proper planning prevents poor performance. So I thought that, cliché cliché, I thought that was gonna work out and it definitely didn't. So that I think was my biggest surprise.

Bill Mandia [10:14]

So you alluded to, in your last answer, let's talk a little bit about COVID. If you could step back in the Wayback Machine and tell us where you were, in early March 2020, before everything shut down. Then if you could talk about what your experience has been, how you've managed your way through the pandemic. How it's changed the way you do business, including on a temporary basis, but I think more importantly, on a permanent basis.

Luke Bowen [10:45]

I had some friends who were giving me some red flags because the supply chain coming out of Asia was becoming disrupted. People who were involved in global logistics, indoor manufacturing in Asia were like, hey, there's this thing, and it's bad. Nobody really knows what it is, but it's very real. We had a couple of war rooms at Evil Genius, where we kind of gained out a couple of strategies for, If This Then That. But I don't think anybody was fully prepared or had a contingency plan for the enormity of what was about to happen. So I'd like to say that we had a good idea of what we were going to do, but we didn't.

On March 16, when they announced that all retail businesses were going to be closed and the Shelter in Place Order was going to happen, we had actually already decided to close our brewery and our tap room in advance of that order coming out, just to wait it out. We had seen what was happening internationally, my business partner is from Ireland. He got a lot of heads up on what was going on in the EU. So we saw that wave moving from Asia towards us, and what was happening on the west coast and moving towards us on the east coast. We had some contingency plans in place, but nothing could have obviously prepared us for what we were going to run into. We had our retail business and in Fishtown that was impacted differently than our manufacturing and distribution business. Because again, as all of your clients or listeners know, in our business, you can't just turn the light switch on and off again. There are just so many moving parts. A one day delay is really three days or 10 days, or 20 days, depending on your industry. We ran into that pretty quickly.

Coinciding with that was then this explosion of demand, because everybody's at home for a couple weeks. Alright, two week vacation, we're just going to get wasted. People just bought and bought and bought and bought and bought, and just stuffed their houses with beer. All of a sudden that went from, oh, my goodness, the factory is closed, to how do we get everybody in here safely to make all this product that everybody wants to buy. We have two channels of business. One is draught beer, obviously, it's one particular product line. That was impacted more because all the bars and our own taproom and stuff were shut down. Then that immediately shifted to off premise. We had to take all of our product that was scheduled to go in one packaging type, and then immediately

transition over to another packaging type, which necessitated more raw materials and which necessitated more raw materials and packaging.

We had trouble getting glass and cans and paper goods and all this stuff. Some of those supply chain issues continue to exist now to a lesser degree, thankfully. It was wild, we were working 100 plus hour weeks, sleeping two or three hours at a time when we could, working through the night. It was wild. It's sort of exciting? I wouldn't say it was fun, but something I'll never forget. I'll tell you that much.

Bill Mandia [14:05]

You mean, you don't want to do it again?

Luke Bowen [14:08]

No. I vote no on that. That'll be no for me.

Bill Mandia [14:13]

Sounds good. There's been a lot of attention paid to the way certain things were changed during the pandemic to allow businesses to operate. So for instance, the big uptick in carry away beverages, mobile delivery of alcohol, things of that nature. One, has that impacted your business at all and two, how do you see that affecting the industry as things go forward?

Luke Bowen [14:38]

I think e-commerce is definitely in play and something that had already existed before the pandemic and was just really amplified. E-commerce for alcohol is really the wave of the future. I think that that was a segment of the industry that existed in a regulatory gray area how it really actualized inside of that three tier system. We doubled down on our partners and Drizly and Gopuff. A lot of our retailers were doing delivery directly to homes, we actually did some delivery too, ourselves locally here in Philadelphia. We pivoted to that model temporarily, but we see it really normalizing again. Just like with the explosion of all kinds of e-commerce for everything from paper towels to six packs, I think that people are now even more used to pushing a button and having things show up at their door than they were before the pandemic. That's certainly not going away.

Bill Mandia [15:41]

In terms of the beer on tap service, how has that been going? As things have loosened up a little bit and opened up? I know, now this delta variant is potentially throwing a wrench in the recovery, but I'd be curious to see what you've seen on those trend lines. Because talking about mobile delivery, obviously alcohol plays a huge role in social interaction in bars and restaurants and events. There's now more people doing those kinds of activities at home or with smaller groups, because that's what they've been able to do. So I'm curious if you've seen that business, that tap business really come back in the way it was before the pandemic? Or is it still

in a state of flux?

Luke Bowen [16:26]

No, it has not come back. According to our data, one out of every five restaurants and bars didn't reopen. Of the 80% that did reopen, two thirds of their draft lines, which is really our capacity. You can only sell product based on the number of tap lines people are willing to have operate inside of their establishment. That got reduced as well. The market size there, the market potential has been artificially pressed. I think it's based on a lot of uncertainty. Now, that is very regional. I have friends that are in the south and in other parts of the country, that they didn't experience the disruption at all. In fact, their business went through the roof.

Being in the northeast, we were affected disproportionately compared to other people in other parts of the country. Then what you're seeing now in Philadelphia with additional mask mandates and / or vaccine mandates, inside of eating establishments inside of Philadelphia County, which is our largest market in which we distributed, by population. That also further hinders us too. That's challenging. But there's literally nothing that we can do about that. That's a headwind. It's part of public policy that we have to deal with. Whether or not I agree with it, it's beyond the scope of this discussion. This is just where we are and we have to play the cards we're dealt.

Bill Mandia [17:59]

Alright, shifting gears, away from pandemic talk. You made a transition, at some point in recent years, from glass bottles to aluminum cans. Can you talk a little bit about what was the motivating factor behind that? How has that worked out for Evil Genius?

Luke Bowen [18:20]

When we started 10 years ago glass was really the predominant premium package for craft beer. Then as the aluminum cans technology progressed, it got more and more advanced. We were able to really preserve flavor integrity within the aluminum cans, which is also really portable. It's lighter to ship and we really were happy we made that change. I think that that's good for the long term health of the brand. The challenge during the pandemic was getting cans. All the manufacturers were just overwhelmed with orders as everything in the functional beverage market went from large volume to single serve. You saw a lot of supply chain issues there. Now they've started to normalize some. [Company] just built a big canning plant three miles from our production facility in Pittston, Pennsylvania. So that's awesome.

I think some more localized supply chains coming in capacity, coming online, it's really helped alleviate some of that pressure. It definitely got pretty tricky, for sure. It was pressure with glass, it was pressure with 12 ounce cans, 16 ounce cans, slim 12 ounce cans. It was really no rhyme or reason, but everything was affected. We're really optimistic, long term. We think that it's the right decision for our brand. It's the package that our customers want. It's better for the environment, it's recyclable. It's lighter, so it's cheaper to ship, and it's just more portable and you can enjoy it in more places. As

people were forced to social distance and play more golf or took hikes and went on camping trips and things like that, it was just more conducive to the type of activities we felt our demographic and our customers were participating in. And that was really the catalyst for that change.

Bill Mandia [20:09]

Sounds like a win-win around the board. So I want to wrap up with two final questions. One sort of predictive and then the second one, in the advice category. So on the predictive front, what do you see coming in the near term future, next 12 to 18 months? I know with the pandemic there's some uncertainty. Then a longer term horizon, what other changes do you see coming either for Evil Genius, or your industry as a whole?

Luke Bowen [20:40]

I predict we're going to be roughly in the same place 12 months from now as we are right now. I think that we're very fortunate to be actually as far along in the recovery as we are given the global calamity that COVID-19 caused. I think we're actually ahead of where we should be under "normal" circumstances. Without the advances of science to put out vaccines that are actually very effective, all things considered, we'd still probably have shelter in place orders and more restrictive regulations that would impact businesses like ours in our industry, on premise diamond, pretty severely.

However, I do think that this type of disruption is a tremendous opportunity to really double down on some of our core strategies like focusing on grocery and takeout, e-commerce, and really investing in those verticals, during this time, that will actually pay off more in the long term. I don't think we're quite out of the woods yet. But I think this transitional time period is a good chance for us all to take a step back and really try to predict certain outcomes. Then make bets on what we think those outcomes are going to be knowing that we're probably going to be in this for a little while longer. But, we made it, it's been worse, we've been completely shut down. This is obviously less than ideal. But if we got through that, we can get through this.

Bill Mandia [22:12]

So as a final question, great for our listeners to hear. How would you sum up or describe your own experience in your entrepreneurial journey? And then what advice do you have for folks who were thinking about it, or are just at the beginning of theirs?

Luke Bowen [22:30]

The one piece of advice that I would definitely give is that, it just never works out the way that you think it's going to, and you have to be okay with that. If you're someone that likes a whole lot of structured and predictable outcomes, this is not the world for you. But if you thrive in chaos and unpredictability, and like working under pressure, and with just a certain amount of general anxiety that I do, this is obviously the career path for you. The thing that has gotten me through all this is my mantra is, play hard, work harder.

I like to have fun. I'm in the beer business, it's a great career. I'm very lucky that I get to get paid to come and talk to people and try beers with people for a living.

In order to keep the party going, I have to make sure that we're really crushing it on the business side. That we take care of all the stuff behind the scenes to really make our company run effectively. It can't be all work and no play and all play and no work. So making sure that you stop and smell the roses a little bit, I think is really helpful. But taking care of your have to's and your duties and really being as emotionally available for your team as you can. Because they're going through a lot of stuff right now just like you are. So it can't be just all black and white, there's just got to be so much more gray area than ever before. Make sure that you're attending to your own needs and the needs of your team and getting everybody on the same page. That's really the most critical thing, in my opinion.

Bill Mandia [23:57]

Look, thank you for your time. I appreciate it. I look forward to catching up and hopefully having an Evil Genius with you in person sometime in the near future.

Luke Bowen [24:08]

No, thank you for having me. If any of your listeners or anybody who wants to connect with me, I'm on LinkedIn. My email is Luke@EvilGeniusBeer.com, so I'm pretty easy to get a hold of and always would like to share war stories and talk to other people in our industry, in our business and be helpful in any way I can.

Bill Mandia [24:27]

Great. Thank you very much.

On behalf of the New Jersey Food Processors Association. We thank you for listening to this episode of the NJFPA Food Forum. For more information, you can visit us at www.njfoodprocessors.org. If you have an idea for a future episode, please email us at help@njfoodprocessors.org. We would love to connect with you and make your story and your experience part of this series too.