

ALL IN THE FAMILY

Sleeman Breweries continues to build on the family legacy

By Heather Hudson

John Sleeman was born to brew beer. The drive to supply a thirsty public with quality suds is lodged deep in the DNA of the founder and chairman of Sleeman Breweries. His family's checkered history began with the establishment of Stamford Springs Brewery in St. Davids, Ont., in 1834. His ancestors rose to fame as crusaders of prohibition and notorious underground suppliers, including to gangster Al Capone.

However, the jig was up in 1933, when a group of farmers hired to smuggle beer south of the border were ensnared in a roadblock.

"They turned us in and we lost our brewing licence," said Sleeman. "The people who stopped us said no one with the last name Sleeman could have an excise licence for one generation – or 50 years."





After 99 years of operation, the Sleeman family business was shuttered.

Growing up, Sleeman says his family's infamous involvement in the beer industry wasn't talked about. In fact, he had no idea about the legacy when he got into the business as a young man.

"Back in the 1970s and '80s, I began and operated a company that imported and distributed draft beer from Europe, the U.S., and Australia, primarily for bars and restaurants," he said.

"I was increasingly aware of consumers wanting more variety. Whether it was imported beers like Guinness, Heineken or Pabst Blue Ribbon, people were excited to try brews from larger multinational brewing companies. It wasn't necessarily better, they just wanted to have a choice."

Finding success with that business, he began to dream about opening his own brewing company. In 1988, his aunt Florian Sleeman Wall gave him a gift that would change his life. "She had held onto a recipe book and a Sleeman bottle from the 1800s in case anyone in our family would be crazy enough to get

back into the business after the 50-year penalty was up," said Sleeman. "It seemed I was being given all the ingredients to get this company going."

He sold the importing business and began experimenting with recipes from his great-grandfather's book in Guelph, where the original brewery had stood, using the same clean water.

"I wanted to rebuild the business and I wanted it to be as authentic as possible. The water is still very good in Guelph, coming from underground aquifers."

In addition to the fortuitous family legacy and the recipe book, Sleeman was blessed with the right market conditions for this new venture. "People were interested in supporting small ventures and slightly different products. There was nothing wrong with Molson Canadian and Labatt Blue, the No. 1 and 2 brands in Canada at the time, but consumers were also looking for something different," he said.

The rise of Sleeman Breweries

Since opening in 1988, Sleeman Breweries has grown to become the third largest brewer in Canada. With a head office in Guelph, today they boast:

- 1.73 million hectolitres per year in domestic sales
- 7.9 per cent domestic market share and growing
- 1,100 employees
- Four Canadian breweries:
 - Guelph; Vernon, B.C.; Chambly, Que.; Wild Rose, Alta.
- One American brewery:
 - San Francisco, Calif.

While Sleeman was inspired by his ancestors, he took a different tactic when operating his own brewery.

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– John Sleeman, Sleeman Breweries

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As he thought about expansion, he set his sights on British Columbia, already known for its robust craft brewing scene. It was difficult to compete with them, so he looked at how he could join them.

One of the leading craft brewers in B.C. was Okanagan Spring. The timing was right: the original German family that started the brewery was in the process of liquidating some shares; and that famous family name inserted itself into the success story once again.

"I got a call from Bill Sleeman [from the Okanagan Spring brewery] out of the blue, saying, 'Hey, cousin.' I didn't know who he was. He wanted to work on a possible merger. I was dreaming of doing that but didn't think I'd get an offer. I flew out, saw the brewery and we started negotiating," said Sleeman.

"This was the first significant merger and cemented the idea of, instead of competing, looking in the market for some great breweries that want to be part of the [Sleeman] group."

Since then, they've gone on to partner with regional brewers Unibroue in Quebec, and Wild Rose Brewery in Alberta. Sleeman says the criteria for mergers – no hostile takeovers on his watch – is simple.

"We want the very best regional brewers who come with very loyal customers. We don't want to change things. We want partners that are good enough to stand on their own two feet."

Sapporo buys Sleeman Breweries, changes nothing

In the early-2000s, Sleeman Breweries was put up for sale. Sleeman says they were looking for a corporate partner that would honour their unique business model comprised of a collection of strong regional breweries with lots of local support.




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Sleeman gets into spirit business with Spring Mill Distillery

It turns out that beer was not the only thing the Sleeman family was brewing back in the 1800s. In 1836, they created a distillery that quietly closed its doors shortly after opening.

In May 2019, the modern Sleemans resurrected the family distillery business by opening a new one in a historic building that was once used as a distillery along the shores of the Speed River in Guelph.

"It has been a passion of mine to open a distillery. My great-great-grandfather called his the Spring Mill Distillery and we are re-opening it 183 years after it closed," said John Sleeman, founder and chairman of Sleeman Breweries.

With an aim to make world-class whiskies, Sleeman commissioned Scottish company Forsyths to craft copper pot stills in which to make authentic Scottish-style malt whisky. They can also make gin, vodka, bourbon, Canadian rye and an Irish-blend whiskey.

"We're currently making and laying down in wood four different kinds of whisky, gin and vodka on sale in Canada," said Sleeman.

The goal is to maintain a family business. With a former master brewer from Sleeman (who also has a Scottish distiller licence) and his two sons in the mix, it looks like it will stay that way.

"My youngest son Quinn is apprenticing as a cooper. He just got back from Scotland and is one of the few Canadian coopers to make oak to lay down whisky for us."

Sleeman plans to emulate the brewery business plan with the distillery. They're looking for unique distilleries across the country with whom to partner.

"Our criteria is exactly the same as when we look at breweries: high-quality, unique products that would be hard for us to make, and strong ethics with respect to how they treat employees and customers."



Photos: Spring Mill Distillery

"Before six or seven years ago we would release something new every three or four years. Now we're doing two or three seasons a year because we have the technology."

— Greg Rutledge, Sleeman Breweries

"We didn't want a new parent that would centralize everything and shut down breweries," he said.

Enter Sapporo Holdings. In 2006, they acquired Sleeman Breweries and infused fresh life and funding into the brand. "One of the challenges we had in the early days was not enough money to do all the things we wanted, such as significant TV and radio ads, putting in a pilot plant and developing new products. The Sapporo people have been very good at supporting our business where it needs support," said Sleeman.

Managing a national business

For smaller breweries, one of the benefits of being part of a group is access to a national technical team comprised of a brewmaster, packaging maintenance manager, quality assurance manager and engineer manager. They ensure consistency, quality and lay the groundwork for innovation.

National brewmaster Greg Rutledge says the No. 1 priority is to never compromise on quality. "It's important to have national specifications that are stringent, but fair. We have a national sensory program that's used to benchmark all of our brands to ensure the people drinking our beer have the same experience every time."

All brewers meet with Rutledge regularly to go over the quality index, brewery scorecard and any challenges. "We meet monthly with all our brewers and talk about challenges and opportunities. There might be an issue a brewery has already faced or a situation that others are going through where best practices can be shared," he said.

Another advantage of being part of a large group is access to state-of-the-art brewery and laboratory equipment. The Guelph brewery and smaller pilot brewery (where all partner breweries can test new products) is completely tricked out. "We've invested a lot of money as we started to get more advanced in controls and automations," said Rutledge.

"We're heavily invested in Rockwell automation controls to help brewers. The beauty is that we can use it across the country; everyone speaks the same language."



The pilot brewery has vessels that mimic larger vessels in the other breweries so small batches can be made with new ingredients and processes.

A new product development team works closely with regional brewers and brewmasters to support them as they develop new beers. Sales and marketing gets involved and a pilot brewer is on standby to try new things. "We give autonomy to brewers and brewmasters. They come up with the recipe, brew it in our innovation brew house and tweak it. They can bottle it or put it in kegs. This offers representative samples that allow us to make informed decisions."

"Before six or seven years ago we would release something new every three or four years. Now we're doing two or three seasons a year because we have the technology."

Brewing advice for smaller breweries

Rutledge says the No. 1 thing to be concerned about is consistency. "Keep constant records of your brew days, including the temperature and every other spec. If things go wonky you can look back and see where things might have gone wrong. You're only as good as the data you can show."

His second recommendation is to invest in technology as your brewery grows. "Oxygen control is key to the longevity of beer. It starts with a good oxygen meter. Control it, not just in packaging, but right from the brew house forward. If you take care of fine details, it's a lot easier to brew good, consistent beer."

Business advice for smaller breweries

Sleeman says the recipe for a successful brewery starts with a critical ingredient. "You better be passionate about what you're doing because it isn't easy to make tough decisions."

His close second is to be smart and disciplined about money. "Of course you have to make the very best liquid you can, but then you have to turn around and tell people it's out there. You can't be afraid to spend money on sales and marketing. Not everybody is lucky enough to have a product that catches fire. You have to tell people you're out there." ■