

## Growth plans in the works as FogHorn invests in wholesale

July 9, 2019 by [Clare Burnett](#) [Leave a Comment](#)



The addition of distribution to FogHorn Brewery's business won't change the focus on its home says founder Shawn Sherlock, after rebranding the business last week.

"The venue remains the heart and soul of what we do," Sherlock said.

The Newcastle brewpub has been the centre of FogHorn's growth, but following the involvement of craft business accelerator Founders First earlier this year, FogHorn is looking further afield.

The brewery celebrated its rebrand from FogHorn Brewhouse to FogHorn Brewery last Thursday (4th July) as part of a move towards wholesale with an investment in canning operations, and one day, a new brewery.

"We're certainly moving from being a straight-up brewpub to selling more draught beer off-site and starting some canning," Sherlock said.

"It's a big move from where we came from. I've been focused on the brewpub model and I can't speak for other businesses, but having been in the industry for a while now, I'm a firm believer that there are two models that make commercial sense in the smaller end of the market.

"There's the brewpub model, owning your own taps and focusing on selling your own beers at retail margin.

“Then there’s going hell for leather, as big as you can go, in the packaging and distribution model.”

What gets tough, he said, was when a brewery was in the middle of those two models.

“What we’re seeing now, breweries which started in the wholesale model are seeing the value in owning their own taps and venue space, so there’s a bit of consolidation going on there.

“The toughest place to be is when you’re relying on packaged or draught beer but don’t have a venue or a presence where you can sell a decent volume through your own taps.”



FogHorn was founded in 2014, and since then has established itself as a live music venue, brewhouse, bar and restaurant, with a capacity of 250.

In January 2019 it [received funding from Founders First](#), a craft accelerator enabling brewers to grow their businesses, which is itself looking at an IPO in the near future.

FogHorn Brewhouse was [on the market briefly in 2018](#) as former majority shareholder James Garvey moved on to other projects, but the involvement of Founders First allowed Sherlock to retain control and increase his share in the business.

“Their whole focus was to support me to take the brand on and six months into our relationship they’ve really lived up to that.

“They have provided me with a lot of support in going through the rebrand and doing some really good back-end stuff. There’s not been a push in any direction that I didn’t want to go.

“With the new investment with Founders First we’re looking at adding to the venue and we’re going to grow the brand further outside the venue.”

This will be considered and organic growth though, according to Sherlock.

“[The growth] will not be at the expense of the venue, and not with a view to taking on the world straight away.

“We’re looking at selling beer in the local market, and if there are some venues in the major cities that want to take it we’d love to supply them.

“If it grows organically, we might look at building a bigger brewery.”



Shawn

Sherlock with assistant brewer Joe Lappin

While a new brewery might be a pipedream right now, FogHorn has already invested in a move into wholesale, bringing in a mobile canning service to its 18hL brewhouse.

“We haven’t got the space for a large, permanent canning operation just yet. But there’s a demand for cans – there’s been a bit of a shift away from growlers towards cans and it gives us the ability to talk to local bottleshops and, who knows, down the track maybe nationally.”

Despite this expansion and preparation for the future, FogHorn is still at its heart a brewpub, says Sherlock.

“The growth of the brand is from a position of strength, building off of the success of the brewpub.

“Without that solid base we wouldn’t be able to have any presence outside the Newcastle market.

“If you look at global trends in beer, locality and localism is really coming through. People want to have that connection to their local brewery. We’re here as the local brewpub, and are just looking to grow a bit bigger.”

Listen to Founder First CEO, Mark Haysman, discuss his business’ model.