



Northeast Wisconsin MARKETPLACE

Magazine

Key ingredient



"I wouldn't be surprised if we see 5 percent-plus growth every year. People identify with craft brands. Just as everybody got into wines, the same thing is happening with beer." ~Gordon Lane, President and COO, Briess Malt & Ingredients



The growing success of the craft brewing industry is important to Briess Malt & Ingredients, says Gordon Lane, the Chilton company's president and chief operating officer, pictured above in the company's distribution center and at left, in its pilot brew house. Briess produces 1 million bushels of malt annually; half goes to brewers and half to food processors.

The aroma of malted milk balls wafts through the lobby. You were expecting a malting company to smell like a Milwaukee brewery? Think again.

By some accounts, Briess Malt & Ingredients Co., Chilton, is the among the state's largest breweries. But Briess does not make beer (at least, not for sale).

What it does make is mass quantities of malt.

Briess is the largest specialty malt producer in the country, with more than 50 varieties of malt. It is the only vertically integrated malting company in North America, meaning it makes pure malt extract from its own malt.

Briess (rhymes with fleece) supplies malt to most of the 1,400 breweries in America. Half its business, however, supplies the food industry with ingredients for such items as bread, pizza crust cereal, energy bars, pet food and, of course, malted milkshakes and malted milk balls.

The company produces 1 million bushels of malt annually, a small amount when compared to commodity malt producers, which easily produce 15 times that at one plant and send most of it to major national breweries. What makes Briess unique is that the company has mapped a strategy for success by aligning itself with the growing niche industries of craft brewers and manufacturers of organic and non-allergenic food. In the eyes of craft brewers throughout the industry, Briess is big time.

"They're huge, especially for smaller breweries like us, they're monstrous," says Steve Lonsway, brewmaster at Stone Cellar Brewhub in Appleton. "We're a big believer of them. I got hooked on their products well before I realized they were in Chilton, Wisconsin."

With annual sales of some \$40 million, according to a report by national business credit reporting agency Dun & Bradstreet, the company is poised for growth. Last year, the craft brewing industry saw a 9 percent increase in sales by volume, and in the first six months this year, volume sales had already increased 12 percent over last year, according to the Brewers Association, a Colorado-based trade association. Demand for organic, non-allergenic and gluten-free beer and food products is up, too, and what's good news for these industries is good news for Briess.

"Four years ago we did a strategic plan and we realized that our thing is making niche-type products," says Gordon Lane, president and chief operating officer, as he stacks small clear jars of grains on a conference room table. "When we look at grains we think, 'What can we do that adds value?' We try to stay away as much as possible from the commodity-type products, as a result."

This is just the sort of mindset necessary to move the Northeast Wisconsin economy forward, according to initiatives mapped out by New North, Inc. Agriculture-related markets, along with advanced manufacturing, are among the initial targets of a committee looking at strategies to boost the 18-county region of Northeast Wisconsin.

"The idea of niche identification that concentrates on one's strengths is something that is admirable, and this is an example of where you're showing it," says Wayne Matzke, chair of the New North, Inc. committee on targeted industries in the region, after the malting company's initiatives are described to him. "These people are honed right in on specialty malt and its application to many of the micro brews and specialty beers and even foods that are a subset of growing their business. They're not trying to go out and compete with every large company in the country."

Briess has seen many changes through the years, says Chilton Mayor William Engler.

"They have capitalized on the growth in the specialty brew industry but they've also gotten into food products - even kosher products, which require some real special treatment all through the process," says Engler. "I think their future is great. Briess is very critical to our community and we're sensitive to their growth."

Family-owned for 130 years

For a family-owned, 130-year-old company, Briess has continually embraced innovation. While Lane oversees the day-to-day operations at the company's headquarters, extracting plant and warehouse in Chilton's Industrial Park as well as malting and Insta Grains plant in downtown

Chilton, the Briess family remains involved. Monica Briess, chief executive officer, has maintained ownership since her husband, fourth-generation company owner Roger Briess, passed away unexpectedly in 2001.

"He was really passionate about it and was involved in the craft brewing industry from the beginning," Monica Briess says about Roger on a telephone interview from her home in New York City. "He was so enthusiastic about it, he really did his best to support it as much as he could. That was one of the reasons we got so involved in the specialty malts." When Roger died, Monica says many people assumed she would sell the business. Not a chance.

"I was always asked that right after Roger died, people said, 'Oh, she's just going to walk away from it.' But I would never do that." Her two sons, Colin, 30, and Craig, 28, serve on the company's board of directors and are interested in the operations of the company. Monica is adamant that they prove themselves in their careers before becoming more involved.

"To just walk into a company and say, 'Here I am,' just breeds arrogance," Monica says. When they are prepared to, she adds, "It is very likely one of them might be involved some day." Just as Roger did during his 30 years at the helm of the company, Monica continues to travel from their home in Manhattan to Chilton monthly and meets regularly with Lane and others by phone. Colin and Craig also visit the plant on occasion.

The Briess family has been producing malt for brewers since Ignatius Briess began malting in Moravia, Czechoslovakia in 1876. His son, Rudolf, expanded the business and began exporting malt worldwide. Then his son, Eric, moved the family malting business to America in 1930. The family established a relationship with Chilton Malting Company in the 1950s, and when Eric died, his son Roger took over as maltster and brewer. He changed the name to Briess Malting Co. in 1978.

"Roger was a pioneer in the craft brewing industry," says Penny Pickart, division manager for brew sales, Eastern U.S., who has been with the company for 10 years. "He became (a fixture) in the craft scene, he was an entrepreneur that was not afraid to take these risks. He would see a need for specialty brewers and he installed the new roasters to make these specialty malts. He was always looking at how we could introduce something new to help these smaller brewers make full-flavored beers."

When he began to see a boom in small brewpubs in the 1980s, Roger developed a line of pre-ground specialty malts. Recognizing the demand for all-natural ingredients from food manufacturers, in 1990 the company built a new plant next to the malthouse for the production of its Insta Grains products, such as reduced cook-time grains and toasted grains. Barley is the primary grain for brewing malts, but Briess processes most any grain, from rye and rice to wheat, corn, tapioca and sorghum. A licensed Grade A dairy, all its milk for malted milk products comes from local farmers. All its products are certified organic.

Briess has also seen change in its top management. About the time Roger died, many of his cohorts at Briess were approaching retirement age, Monica recalls. They worked to find new leadership. Lane brought a broad background in the beverage, food and agricultural industries, along with a degree in food science from UW-Madison and an MBA from the Keller Graduate School of Management in Milwaukee.

"It was imperative to find somebody who would be effective leading the company and I must say Gordon is doing the job," Monica Briess says. "It was very nice to get a Wisconsin native, it is a very important part of our heritage. That's not just rhetoric - we really try to live up to our image and our values. We're terribly fortunate in the people we have."

Since then, six professionals have joined the technical services team and another research and development professional will soon be hired. Today, Briess employs 104 people. Turnover is under 5 percent annually, and the average tenure is 15 years. While 20 percent of them are chemists or scientists, including "maltster" David Kuske, every employee is highly skilled, says Lane.

"The employees out on the line know how to make things work and correct for problems," Lane says. "I feel extremely blessed with the employees we have. Being a small company, we all do wear many hats."

In 2002, the company built an 18,000-square-foot, state-of-the-art extracting plant adjacent to its distribution center, built in 1997 in the Chilton Industrial Park. It also expanded the distribution center by 34,000 square feet. In the extracting plant, malt is processed to produce liquid and dried sweeteners. In contrast to the earthy, rustic old malthouse built in 1901 downtown, where grains are soaked in huge vats and then drained and kiln dried and roasted, the extracting plant is the picture of technology, all enclosed stainless steel tanks, and the entire process monitored remotely by state-of-the-art computer systems. Last year, a new spray dryer was installed at the extracting plant, which enabled the company to bring all its drying operations in house and save the cost of shipping grain to contractors for that step. The company also installed a new pilot brewery, which allows its brewing experts to test new malt syrups - and, occasionally, beer - in small batches.

Such facility upgrades have enabled Briess to tweak its malting process in many ways to achieve very specific results, Lane says.

"We have people on staff who have been brewers in brewing operations, so we can offer guidance and help craft brewers solve their problems," says Lane, who, like many Briess employees, also enjoys home brewing. "That flows from being a niche producer. You have to offer something other than specialty products, you have to be able to explain how they can use the product and how it can improve their product."

In 2003, the company changed its name from Briess Ingredients Company to Briess Malt & Ingredients Company and updated its logo to more reflect its commitment to both the brewing and food industries.

To celebrate the company's 130th anniversary this year, Briess produced specialty malt from a variety of Moravian barley, named it Briess Anniversary Malt and sponsored a contest for licensed breweries to create the best craft beer from it.

Brewers appreciate the extra time and expertise Briess representatives afford them when they are looking for new flavors and unique characteristics in the malts they buy.

"They're very innovative, without a doubt," Lonsway says. "I don't even need to ask them - they'll send out information packets about malts I might want to play around with."

Beer festivals are important networking events for Briess, where sales representatives confer with clients and give away bags of malted milk balls as premiums. (A Chicago candy company makes them with Briess malted milk.) Pickart recently served as one of the judges at the Great American Beer Festival in Denver. A long list of beers have won national and international awards using Briess products, she says.

"We provide them with a quality product and consistency, and the brewer makes all the difference," she adds. "We're just flattered that they're using our extracts."

Studies have begun to tout the health benefits of barley and malted products, Pickart says. Besides imparting good flavors to foods, malted grains are rich in nutrients.

"Brewing is what this company was founded on," says Pickart. "It's always been closest to our heart. That's our bread and butter, and we will always stay close to that industry, even with the opportunities we see on the food side."

Indeed, Lane keeps close tabs on the craft brewing industry, and what he sees will be factored into the five-year plan for growth.

"I don't think it's going to level off," Lane says of the craft brewing industry. "I wouldn't be surprised if we see 5 percent-plus growth every year. People identify with craft brands. Just as everybody got into wines, the same thing is happening with beer."

Related Links

Content © 2007 Marketplace Magazine
Software © 1998-2007 **1up! Software**, All Rights Reserved