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Photos by BRUCE BISPING - bbisping@startribune.com

Former business executive Phil Knutsen is launching a new beer called Founding Fathers. "Starting a company like Paul Newman's appealed to me," he said.

A brew with a cause

Half of net profits from Founding Fathers beer will go to support U.S. military veterans and their families.

By DAVID PHELPS • dphelps@startribune.com

Off in a corner of a huge Maple Plain warehouse that stores the world's most popular beers is a stack of red, white and blue packaged beer bearing the likenesses of men named Washington, Jefferson and Franklin.

The brew is called Founding Fathers, and it hit the market less than two months ago. The brainchild of Orono businessman Phil Knutsen, it's the result of more than two years of inspiration, perspiration and outright hope.

It's also a product with a social cause. Knutsen has pledged that half of the net profits from Founding Fathers will be dedicated to organizations that support U.S. military veterans and their families.

Although not a veteran himself, Knutsen's father and father-in-law both served in the Army and his son is studying at the Air Force Academy.

"I wanted to pick something that consumers could rally around and affect a lot of Americans," said Knutsen, 44, in a recent interview to explain his brand's mission. Whether Founding Fathers becomes profitable in the foreign-owned world of Budweiser, Miller and Coors is up to the consuming public. But early indications are promising.

Doug Jerde, director of operations at Day Distributing in Maple Plain, said he expected to sell 4,000 cases of Founding Fathers by the end of 2011.

"That's spectacular for something that was born on Nov. 14," said Jerde, a 31-year veteran of the business and among six Minnesota distributors handling Founding Fathers. "Where will it level off? Ask me next November."

Founding Fathers, which retails from \$9.99 to \$12.99 for a 12-pack of bottles, is now available only in Minnesota and North Dakota but will be sold in an additional seven states by midyear.

The creation of the lager traces back to 2009 when Knutsen, after 22 years with American Business Systems, decided it was time to change



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his career path. But he didn't set out specifically to brew beer.

"Starting a company like Paul Newman's appealed to me," Knutsen said of the Newman's Own line of food items whose after-tax profits support various charities. "I thought it would be a food product of some type and then a friend said, 'How about beer?'"

"That's when Jerde came into the picture. Introduced by a mutual friend, Jerde provided Knutsen with a beer business tutorial. Knutsen then found a brewmaster who lived in Rhode Island. Knutsen described the type of lager he wanted, and the brewmaster went to work.

"I knew enough about beer to know the kind of [taste] profile I wanted," Knutsen said. "The ingredient count was higher to give it the perception of a quality beer."

After some family and friends did some blind taste-testing and approved of the caramel-colored product, Knutsen moved to his next step — finding a brewery.

"I thought this would be the easiest thing to do in the whole process. It was the hardest," he recalled.

As it turned out, brewers were using their excess capacity to make popular energy drinks and teas, not more beer. Knutsen approached City Brewing in La Crosse, Wis., but couldn't quite pull off a deal because of capacity issues.

Then he contacted a brewery in Memphis, but before he could start production there it was

sold to City Brewing, which then found room for the initial run of Founding Fathers at its facility in Latrobe, Pa.

"That's the best thing that could have happened to us," Knutsen said.

Knutsen, without offering specifics, said he "drained just about everything I had" to finance his project while raising more money from investors in a private placement last September.

His marketing budget is modest. He's got a small presence on radio and relies on social media for word-of-mouth endorsements.

But it's Founding Fathers' connection with veterans groups that's driving early sales. "We launch a lot of new products all the time," said Jerde. "But the story is the thing that makes it easy to jump on board [with Founding Fathers beer]."

In Minnesota, Founding Fathers has partnered with the Minnesota Military Family Foundation, a nonprofit that provides financial assistance for families of deployed service members, and Tee It Up for the Troops, a charity golf event.

"It feels right," said Tom Lyons, an Air Force veteran of the Vietnam War, business consultant and a board member of the Minnesota Military Family Foundation. "It's selling faster than anyone dreamed. It's a pretty good beer and if you have a choice to help support military families, that's pretty compelling, isn't it?"

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