



# DEVELOPING AN EPIC BEVERAGE PROGRAM



## ABOUT THIS E-BOOK

In 2018 and 2019, after the launch of the book 'Bar Hacks', I toured around North America providing a seminar titled 'How to Develop an Epic Beverage Program' with stops in Toronto, Vancouver, Las Vegas, New York, Los Angeles, Orlando, and many others.

I want to share some of that insight I shared during that tour with you now, right here in this e-book.

The first question I like to ask when doing this seminar or workshop is simple: How much time do you put into your food menu? The answer is usually weeks (sometimes months) in planning plus research, costing, and development.

When I ask the same question about their beverage menu, the answer is often days, maybe a week, tops. The same effort needs to be put into beverages as your food. It shouldn't be an oversight or a last minute add-on or adjustment.

As an agency – we are getting to a point with several concepts where we're building the beverage program before the food program to enhance pairings, flavor profiles, and guest experiences.

Beverages now play a more pivotal role in revenue & profit than ever before. There's no question that you need this channel not only to increase off-premise sales but to increase your revenue per customer to perhaps survive the reduction in seating capacity levels of 2021,

That's why it is critically important moving forward that your beverage program whether on-premise or off-premise – provides multiple revenue streams; includes a balance in pricing; and takes into consideration a full sensory experience throughout multiple day-parts. That is what we are going to highlight throughout this free e-book. This is your opportunity, right now, to get creative and innovative. This is your opportunity to reset and develop a sustainable, profitable, memorable, and consistent beverage program!

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**W/ HOST DAVID KLEMT**

The background is a dark gray color with several abstract geometric shapes. There are several triangles of varying sizes and orientations, some filled with a fine, light gray grid pattern. A vertical white line is positioned on the left side of the image. The overall aesthetic is modern and minimalist.

# Developing an Epic Beverage Program

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**COFFEE BY DAY,  
COCKTAILS  
BY NIGHT**



## THE 12 KEY ELEMENTS



*A saying we use often is “coffee by day, cocktails by night”. Transition your menu throughout the day to maximize opportunities.*

### 1 Day-Parts

Developing an epic program is more than just making pretty drinks—there’s strategy to consider. For example, you must know your dayparts. What periods are you open for? Who is your target market? Are you trying to sell spirit-forward drinks with your dedicated lunch menu? That’s often a hard sell if you’re targeting the business crowd. Perhaps natural sodas and low-ABV drinks would be smarter with a different menu for your later dayparts. Your menu must change and adapt to your target audience as they navigate their day. Another thing to keep in mind: We’ve known for years

that alcohol is used by many to mark a “boundary” between weekday and weekend or work and leisure time. Alcohol really marks a timeout for a lot of people. But with Covid-19, people are finding it difficult to gauge when work ends and leisure time begins because time seems a bit hazy. You also need to know your new audience, their new behaviors, their new spending habits, their new drinking habits, and their new dayparts. You must maximize each sale opportunity with the correct suggestive sell at the right time of day to the right set of customers.

**ONCE AN  
HOUR GOES  
BY, YOU  
NEVER GET IT  
BACK AGAIN**

**ELEVATE YOUR  
OFF-PREMISE  
OPPORTUNITIES**



# THE 12 KEY ELEMENTS

## 2 Off-Premise Sales

Prior to the pandemic, ready-to-drink products had already been established as one of the fastest-growing segments. This momentum is set to continue, leaving operators to adapt to a new normal. To truly capitalize on off-premise alcohol sales, restaurants and bars must lean into promoting convenience and value.

Consumers need to see your venue as a one-stop shop that provides a meal and something to imbibe.

However, that drink also needs to represent something they can't get elsewhere, just as alcohol sales have always been (or should have been) in the first place.

Differentiation is going to be critical. Adapting to restaurant and bar dining restrictions and closures has forced consumers—particularly among younger demographics—to form new drinking habits that will likely persist into the future, with even more focus on portable and convenient beverages such as canned wine, canned cocktails and canned seltzers. But you can take it a step further and curate your own beverages (pending local laws) and at-home beverage kits.

Provide your guests with all the mixers, salts, syrups,

“

Overall, cocktail kits and beverage to go programs can be very interactive & engaging. Plus they create social media content in addition to a unique revenue stream and a positive perception of value.

bitters and garnishes in a neatly packaged kit that guests finish at home by adding their own alcohol. You can step this up and brand the kits. You can also create a link to a video via an attached QR code: in exchange for their email address, your guests are walked through the build process by a staff member. This tactic strengthens your email marketing. This can also be achieved via Instagram or Facebook.

The bars and restaurants that use this time to experiment with their off-premise experiences from cocktails to beverage subscription models and other unique marketing tactics will be the ones who emerge from today's crises the strongest.



The image features three glasses of tropical drinks, likely cocktails or mocktails, arranged on a dark, textured surface. The central glass is the most prominent, filled with a light-colored liquid and garnished with a slice of pineapple, a slice of grapefruit, and a slice of orange. To its left and right are two more glasses, also containing similar drinks. The background is dark, and the foreground is scattered with various fruit slices, including pineapple, grapefruit, and orange, along with some dried fruit or candy. The overall aesthetic is vibrant and fresh, suggesting a healthy and enjoyable beverage choice.

**MEET THE  
SOBER-CURIOUS  
MOVEMENT**

## THE 12 KEY ELEMENTS

### 3 Sober-Curious

We must understand that the alcohol beverage industry has taken a hit from Covid -19. However, the shifts in consumer behavior that have affected the industry are also presenting new opportunities, including the enhancement of low/no-alcohol drinks. The next challenge and component of an epic beverage program is understanding the sober-curious movement and how it fits within your business. Health-conscious drinkers are embracing a policy of moderation, cutting back in volume, reducing drinking occasions, or switching their regular drink choices to improved, higher-quality, alcohol-free drinks.

Epic beverages that are found within this segment tend to be created around fresh ingredients, making refrigerated storage behind the bar more of a priority. Who is driving this trend? It's the Millennials and Centennials. They're not only more health-conscious, they're about sustainability and supporting local. If they're not drinking alcohol, they want robust flavors that will enhance their daily experience, which is why these drinks took off like they did in the first place. The days of only having Coca-Cola or Pepsi products to offer guests who aren't drinking are over.

This is your opportunity to get creative and add a signature program of non-alcohol drinks to your menu to strengthen your bottom line. These targeted cohorts will take notice!

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# THE SCIENCE BEHIND THE BEVERAGE



# THE 12 KEY ELEMENTS

## 4 The Science

To create an epic beverage program, you must also understand a bit of science. Whether you're like me and didn't do well in science classes in school, that's okay. We must simply understand what some beverages do to the human body and brain. Look at the levels of sugar we're promoting in cocktails, spirit-free drinks, and some canned beverages. Is it added sugar or natural sugar? The fact that most spirit-forward or alcohol-forward drinks are full of empty calories and have no nutritional value is something you have to keep in mind.

One pint of cider, for example, can contain as much as five teaspoons of sugar. That's almost as much as the World Health Organization recommends against exceeding per day! Incredible, right? When a person drinks alcohol, the body reacts to it as a toxin, channeling all energy into expelling it. This means that other processes are interrupted, including the production of glucose and the hormones needed to help regulate it. Alcohol also affects blood sugar levels each time it's consumed, which means occasional drinkers can also be negatively impacted. We need to develop the perception of health-conscious drinks and menus moving forward. Go through each beverage on your menu and audit the level of "health" associated with it. Make sure you provide a balanced and simple but elevated beverage program.

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### Don't Forget to Include an Enhancement of our Senses!

Another scientific element to consider for your program is the sensory experience. Have a target of reaching at least **THREE** sensors with each beverage:

- Visuals (colours, glassware, packaging, fresh garnishes, production sequence)
- Auditory (your venues music plus cocktail shakers – bring that table-side or outside to the patio as well)
- Olfactory (smell or fragrance from the beverage or throughout the production of the drink)
- Gustatory (the overall taste, flavors, and pairings + the interaction the beverage has with the body)

# EXPERIENCE CULINARY PAIRINGS



## THE 12 KEY ELEMENTS

### 5 Culinary Pairings

Your next challenge is to find ways to bring skills from the kitchen to the beverage menu. Compliment the food. Expand on the pairings—from beer flights to wine flights to whiskey flights—even in a to-go package with a supplied flight board and branded glassware. There are ways to elevate the flavors, brand perception, and overall guest experience both on- or off-premise. Look at seasonality and local collaborations with your vendors. Cross-promote. Bring in a taste-master from a winery to teach guests about pairings.

You can do this again, online or by selling private experience packages that include customized tastings, cooking tutorials, wine pairings, or cocktail and no-ABV drink making. Host events in a dedicated space like your patio. This is a great revenue-generating opportunity. Look for ways to match the flavors of the meal with the flavors of the beverages. Create housemade infusions, syrups, and bitters. From a garnish point of view, remember that a garnish should also be an integral part of the drinking experience. You must go into this with the mindset of creating an experience, not just to generate revenue per table or square foot—that thinking has become outdated. Create the ultimate, safe experiences and the revenue will follow if paired with excellent marketing.

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**DEVELOP A  
PERCEPTION  
OF VALUE**



## THE 12 KEY ELEMENTS

### 6 Perception of Value

Moving along with your challenges and beverage program, consider perception of value. You must create the perception that your beverages are the absolute best for the highest profit margin profitable. For example, consider these two beers. Does your perception of them change when the only difference is the way they're poured?



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*Elevate the perception of value in any way that you can to drive awareness, revenue, and profit.*

Your likely answer is, “Yes.” Think about that: The appearance of one over the other can justify charging a few extra dollars. Look at each beverage on your menu and see if there are ways to elevate the perception of value for that drink. Look at the production sequence, the chosen vessel, beer-clean glasses, the delivery mechanism, and the Instagram-friendly nature of every beverage.



# COST & INVENTORY CONTROL



# THE 12 KEY ELEMENTS

## 7 Cost Control

Let's talk dollars and cents. Hopefully, you know your food costs. But you also need to know your beverage costs or pour costs. As the industry begins to recover from the impact of Covid-19, maintaining cash flow and slowly building up revenue are key elements to any beverage program's ability to survive. It's imperative that you know your numbers, your costs (down to the penny), and levels of inventory to control costs and profit levels. It really comes down to a delicate balance of cash flow and savings on overhead costs. Furthermore, industry associations attribute a loss of nearly 20% in the liquor and beer category to theft

and spillage. A 20% loss in alcohol can put you out of business!

On the beverage side, you need to not only know but understand where every single ounce is going.

Between a strong point-of-sale and an inventory management system, you can get this down to zero.

These new systems are available for you to take back control of your beverage program, control costs, and make more money! This type of thinking and investment may just be one of your smartest decisions as an owner, operator, or manager.

These systems will track usage versus sales, pour cost, gross margin, received inventory, product demand, and stocking needs, and our friends at Barventory want to help.

Use code BarHacks today at [www.barventory.com](http://www.barventory.com) to get started.



A close-up photograph of a bartender's hands garnishing a drink. The bartender is holding a slice of citrus fruit (likely orange or lemon) and dusting a fine, white powder (possibly sugar or a specialty powder) onto the rim of a coupe glass. The glass is filled with a light-colored, frothy beverage. The background is dark and out of focus, showing a bar setting with various bottles and tools.

# SUSTAINABLE PRACTICES & MINDSET

## THE 12 KEY ELEMENTS

### 8 Sustainable Mindset

Understand that both sustainability and supporting local matters more to today's guest. Your F&B programs and experiences must adhere to guests' desire to support the local and hyper-local. Show you're part of the community by supporting local breweries, distilleries, wineries and local culture. Now and moving toward a post-pandemic world, restaurants and bars must promote strong relationships and partnerships with local producers. The "new normal" will consist of consumers expecting venues to rely less on imported F&B and feature more locally-produced items—including beverages—within a 75-mile

(100km) radius. Supporting local is a sustainable practice, but sustainability goes much further than that.

Many bars and beverage programs operating today are, quite bluntly, an environmental nightmare. Your next challenge is to create an action plan that will reduce your carbon footprint by 25% before the end of the year. Look at your equipment, garnishes, straws, vendors, and other disposables within your beverage program. The issue of one-time-use straws has been addressed, so let's take it a step further.

A sustainable drink is one that minimizes its use of natural resources, conserves energy, minimizes pollution, and places an emphasis on ingredients that are reused, recycled or up-cycled. Again, work those vendor partnerships and get creative. Making an effort in this arena will be noticed by younger generations and push you past your competition.



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**PICTURE  
PERFECT  
ICE**



# THE 12 KEY ELEMENTS

## 9 Ice is Food

Understand this: ice is food. It's a consumable. It's a universal ingredient within the bar and beverage space.

Your next challenge is to focus on how your ice is sourced or made, kept frozen, and served in your venue. The shape and size of ice controls how quickly a drink is diluted. Experiment and note the time guests are taking to consume different drinks. All ice is not created equal—there's a reason behind their shapes and sizes. Remember that just like there are rules for building cocktails, there are rules for using ice within your beverage program:

- Is your ice floating? Your build balance is off.
- Don't use ice that's two weeks old or older.
- Store ice in plastic bags if it's not being used right away.

The types of ice to be familiar with:

- **Standard Cube (1 inch x 1 inch):** These absolutely have a place in the cocktail glass. Just adhere to this standard when using standard ice cubes: Never use a water source you wouldn't drink.
- **King Cubes (2 inches x 2 inches):** Used for spirit-forward drinks for consistent temperature and dilution. Examples: Manhattan, Negroni, Old Fashioned, Vieux Carré.
- **Collins Spear/Shard/Cylinder:** For highballs. They make a Tom Collins or G&T look elegant and cool.
- **Ice Block:** Used in punches to keep large-format cocktails cold and control dilution over time.
- **Ice Slab:** These are used by bars and restaurants that want to cut and shape their own cubes and spheres. Ice slabs are often produced in-house but there are services out there that will drop these off. (In fact, there are services out there that will provide crystal clear, perfect and bespoke cubes, spears, and spheres.)

- **Sphere:** Shaped by hand or created using a form, ice spheres are ideal for stirred cocktails and enjoying spirits straight. Ice spheres melt very slowly in comparison to other shapes. They also make an impressive visual impact so they often wind up in cocktails that call for king cubes.

- **Pebble/Crushed:** Used in drinks heavy on syrup and/or juice, tiki drinks, and drinks served in hot climates. Examples: Frozen Daiquiri, Margarita, Mint Julep, Moscow Mule, Swizzle.

Recommended Ice Machine:

There are multiple manufacturers of commercial-grade icemakers. Hoshizaki America, for example, makes dozens of models. People can choose from ice shape and pounds of ice produced per day. We're fans of Hoshizaki for their quality and the pandemic-focused information they added over the past year.

A smiling waiter in a white shirt and dark vest holds a black tray with a cocktail and flowers. The background shows a bar with bottles and another person. The text "TIME IS OF THE ESSENCE" is overlaid on the left side.

**TIME IS  
OF THE  
ESSENCE**

## THE 12 KEY ELEMENTS

### 10 Maximize Time

Consider the time it takes to produce each beverage within your venue (coffee, mocktail, cocktail, draught beer serving). You want to drive consistency in time to maximize profits. Speed test your menu and your staff. What could an additional 10 drinks per bartender (or service staff) per hour mean to your bottom line over the course of a year? In the “previous normal” that boost in production meant generating a nice year-end profit. In the new normal it means survival. You can speed up service by keeping menus small and targeted, in addition to reviewing how your bar and beverage area is setup.

You have systems in the kitchen to ensure quick, efficient service. Why not the bar? Look at your cocktail stations. You must keep everything within a pivot movement (*mis en place*). Install foot pedals for the sink so staff don't need to touch sink handles. Allowing them to keep their hands in motion elsewhere. Search for stations that keep different sizes and styles of ice available. Also consider your prep stations, garnish stations, drip drains, and glass washer. Note how your fridge doors open, where your POS is positioned, where your glassware is located, and the use of your speed well. Take the party outside or spread out some bars inside to eliminate lines and social distancing issues. For example, mobile stations ensure patrons and staff are safely socially distanced. Implement a variety of technologies to speed up service times. There are no excuses for failing to maximize efficiency and profits.



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# ENGAGING TRAINING PROGRAMS

# THE 12 KEY ELEMENTS

## 11 Training Programs

Please remember this or write this down –

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*Your Bar is Only as Good as its Worst Bartender.*

That phrase can be used in many different positions. Your kitchen is only as good as its worst cook, for example. And yes, when developing your beverage program – you need to consider the staff needs to execute that program. A high level of consistency is absolutely crucial.

You must create an A team plus an environment that nurtures its growth. Everyone must execute on the same level or your program won't maximize its potential. What would happen if your best staff member who produces drinks the fastest and generates the most revenue per customer suddenly left? You need to also remember this quote from the book *Bar Hacks*:

*i*

*Values Beat Experience - When Experience Doesn't Work Hard.*

Develop your core values, core statements, and job descriptions. Onboard with perks like personal bartender kits or rolls filled with tools potentially branded with your logo. Create staff experiences. Provide the education needed.

Give everything your team needs to be successful, along with a training program that sets standards, is continuous, and is rewarding. While you're at it, look for ways to introduce tech into your training program, such as the use of augmented reality. You must also develop a beverage safety program. There must be systems and standards established and adhered to. If you need to rely on cheap drinks to fill your seats or drive revenue, you have bigger business problems. Quality over quantity and safety over profits must be the mindset. Ensure you're documenting best practices, reviewing your policies, and creating a safe, profitable atmosphere for your business, for your staff, and for your guests.

# CREATING MARKETING PROGRAMS



# THE 12 KEY ELEMENTS

## 12 Marketing Plan

To tie this all together, you must also execute a solid marketing plan. You must create a plan that focuses on generating awareness, increases revenue per person, and builds repeat business opportunities. Your plan should take aim at guests inside your venue, on your patio, or at their home. Partner with your brands to elevate the guest experience. Work with brand ambassadors to educate your staff and your guests. Know your target customers, their profile, and their journey map like never before. Align that knowledge with your dayparts.

Be unique, create signature drinks (whether full-proof, low-ABV or alcohol-free) and create beverage programs that complement the food program. Remember the science of a beverage. Create balance in your menu but keep it small and tight with your most profitable and engaging drinks. Create the perception of value through innovation and developing a sustainable mindset. Create a wow factor through the use of an advanced ice program. Create recipes and analyze the costs of all ingredients to re-develop consistency and profits. Develop an engaging (and ongoing) training program to ensure there is consistency while promoting a safe, fun experience for your staff and your guests. From there, align S.M.A.R.T Strategies to your program that are specific, measurable, attainable, realistic and timely to create a desirable destination. This will create the scalable, sustainable, profitable, consistent and memorable venue you need to WIN!



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The background is a solid red color with several abstract geometric shapes. There are several triangles of varying sizes and orientations, some filled with a lighter red color and others with a white hatched pattern. A vertical white line is positioned on the left side of the image.

# 2021 Beverage Trends

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# 2021 BEVERAGE TRENDS

We checked out Liquor.com, VinePair, *Wine Enthusiast*, SmartBrief and Forbes to see what they had to say about how and what people will be drinking in 2021. As *we* predicted, a number of the predictions were identical or at least similar, lending them even more weight.

## To-Go Cocktails Are Here to Stay

What was once a defining characteristic of partying in New Orleans and Las Vegas quickly became a necessity for operators throughout the United States. To-go drinks provided operators with a way to generate some revenue during the pandemic (to varying degrees of success, of course). VinePair and *Wine Enthusiast* have both predicted this trend

will swing more toward a stand element of operations through at least 2021. Similarly, SmartBrief and VinePair predict that alcohol delivery also isn't going anywhere anytime soon. Also here to stay?

Contactless & touchless menus. Guests have gotten used to them, and that's unlikely to change.

## Cans, Hard Seltzer & RTDs Will Continue

Canned wines, canned cocktails, hard lemonades, hard seltzers growing in the on-premise space...

VinePair, *Forbes*, SmartBrief, and *Wine Enthusiast* all made similar predictions. Wine Enthusiast went a step further and more specifically suggested that the popularity of canned cocktails may be strongest in the first half of 2021. It stands to reason that what

consumers make popular off-premise will be in demand on-premise sooner or later. Operators should probably assume they'll be selling buckets of hard seltzers, hard lemonades and canned cocktails once people can resume dining and drinking in person like they did pre-pandemic. Want more 2021 trends? Click below image to read more!



## E-COMMERCE & DRINKING

According to estimates, beverage alcohol e-commerce grew by 40 percent in 2020. Per data from the IWSR, ten “core countries” are driving that growth: Australia, Brazil, China, France, Germany, Italy, Japan, Spain, United Kingdom, and the United States. China, the reigning champion of beverage alcohol e-commerce, is expected to be toppled by the US by the end of this year.

Of particular note: growth in the above markets more than doubled from 2019, when online alcohol retail grew by 11 percent.

We all know what drove the growth in online alcohol sales. In their quest to find comfort in the midst of the global 2020 pandemic, they became comfortable

with purchasing alcohol online as a long-term behavior. Alcohol brands were forced to pivot to online sales channels due to restaurants, bars, lounges, nightclubs and other brick-and-mortar F&B operations facing constantly shifting restrictions and closures.

To compete, operators must continue to do what they’ve had to even before a pandemic absolutely ravaged the hospitality industry and millions of people’s livelihoods: adapt.

For at least several more months, drinking at home will be its own occasion, for obvious reasons. The IWSR expects brands to invest more into online alcohol retail. If that proves to be the case, operators

can expect—as a worst-case scenario—fewer dollars spent on their brick-and-mortar operations. Getting creative with alcohol delivery, takeout and pickup is crucial to give operators the best chance to be included in the at-home drinking occasion. Want more 2021 trends? Click below image to read more!



# ALCOHOL-FREE BEER IS HERE TO STAY

Doubters and detractors of non-alcoholic beer have only to look at Athletic Brewing Co. to understand the category has a long, bright future ahead of it.

Athletic Brewing opened its first taproom in Stratford, CT, back in May of 2018. A month later, the non-alcoholic brewer signed on with a distributor to launch two of their flagship beers statewide. Two years after that milestone was reached, Athletic took over a 100,000-barrel capacity facility in San Diego once owned by Ballast Point.

That would be impressive growth for any brewer, traditional or non-alcoholic. But there's another element that really highlights the explosive growth and potential of Athletic: investment rounds.

In August of 2017, Athletic raised \$250,000 in seed funding. One year later, in September, the brewer raised \$500,000 in another seed funding round. A third funding round resulted in \$3,122,221 in December 2019. And then came March 2020: Athletic raised \$17,500,000 in Series B funding. According to a report written by Kate Krader and published by *Bloomberg*, some of Athletic's investors are celebrities, something that had remained quiet for a few years now.

David Chang, the founder of Momofuku, NFL players Justin Tuck and JJ Watt, and Lance Armstrong are some of the celebrity backers identified by Krader as Athletic Brewing Co. backers. According to

Crunchbase, Blake Mycoskie, founder of TOMS Shoes, participated in the 2020 Series B funding round. It's obvious that craft non-alcoholic beers have a future and it's likely more talented brewers and celebrities will enter the category. In fact, 2021 may be the Year of NA Beer. Click below image to read more!

