

Growth: Working the Magic at Willie's Distillery in Ennis



Willie Blazer (l.) explains German Bavarian Holstein copper pot still; Mark Shyne, MMEC (ctr), Robin Blazer (r)

Working the magic at [Willie's Distillery, Inc.](#), owners Willie and Robin Blazer opened their doors in December, 2012 in Ennis, Mont., selling the first of many bottles of Moonshine. More products have since been added. And, in just one year, the business ranks third in wholesale distribution sales of the fifteen licensed craft distilleries now operating commercially in Montana.

Situated in a building on East Main Street, original 120- year-old woodwork and rafters showcase the distillery's German Bavarian Holstein copper pot still and two-story column and condenser, a 400-gallon mash tun, and two stainless steel "elliptical" fermenters. The finely crafted equipment is visible through windows fronting the street. "The elliptical design is one of the latest advancements in fermenter design," according to Mark Shyne, Manufacturing Specialist with the Montana Manufacturing Extension Center (MMEC), one of a team of resources involved in the distillery's startup phase. The elliptical shape allows the jacket to better control tank temperature and reduce hot spots during fermentation that can affect taste.

Willie, a U.S. Army Special Forces Veteran, jokes about how the couple came to operate a small batch distillery, saying, "Robin knows grain, and I know moonshine." Robin is a fourth generation Montanan from a wheat farm near Toston. Willie hails from Western North Carolina, in the heart of Appalachian moonshining country.

Ensure Success

In fact, the formula for success, like a mellow whiskey, took time, patience, and the right combination of ingredients. While familiar with craft brewing at home, the Blazers were new to manufacturing and distilling. Decisions and actions on the right opportunity and community, acquiring the financing, training in distilling and marketing, researching equipment, and planning for an efficient, effective facility took more than three years.

Founding the business in 2010, its owners turned to Headwaters RC&D in Butte to assist with developing a business strategy and tap into a network of resources. Headwaters also provided information on ways to finance a business, some of which are competitive grants. The organization provided help writing a proposal that landed a USDA Rural Business Enterprise Grant (RBEG) for Willie's in 2011. It provided some much needed capital to achieve their startup goals. Headwaters managed the grant.

RBEG Set Foundational Steps in Motion

“The RBEG grant program is used to support the development of small and emerging private business enterprises in rural areas,” according to Craig Hildreth, Area Specialist with USDA Rural Development in Bozeman. “Willies is a good example of the technical assistance the program can provide.” Ennis, population of 1,000, is a prime RBEG target with its Old West flair, tourism, and agricultural base near a Blue-Ribbon trout stream in southwest Montana.

The Willie’s grant proposal requested assistance with initial site design, branding development, logo design, manufacturing consulting, package design, attorney consulting and adult education. MMEC was written into the grant as a low cost manufacturing consultant to work with the couple on site design and detailed facility drawings and utility charts, along with coaching and training of top management. The drawings and charts would be used to communicate clearly with key funding partners, contractors, or architects for important next steps to achieve efficient and safe production space. The adult education component provided technical training relevant to micro-distillers.

Typical of many startups, the Blazers also added cash in hand, help from friends, family, and associates, and a small business loan from Ruby Valley National Bank to make the magic happen.

MMEC Evaluates Space and Design Concepts

MMEC initially participated in two design approaches for the distillery operation. First was new construction; the second, utilization of an existing facility, if a suitable one could be found. Fairly quickly it was determined that the cost of new construction would be too high. Several existing structures were then evaluated before the historic East Main site was chosen.

In the next phase, Shyne met with the general contractor, plumber, electrician, and other professionals to examine infrastructure, utilities, floors, and possible constraints in early December 2011. For the conceptual layout, he gathered input from Robin on equipment needs, process details, adjacencies based on product and work flow, utility needs, and clearances around tanks and other equipment. Other key inputs were obtained from the equipment makers and a visit to an existing Montana distillery. Both a paper layout and CAD drawings were provided at low cost.



“The height of the still, and the desire to locate those pieces near the front windows drove a good portion of the design,” Shyne said. The second floor of the building had to be opened up at the front of the building. Best practices were used in the design, equipment placement, work flow, quality control planning, material handling, contamination control, and in other areas. Future growth and expansion needs, at least 5 years into the future, were also considered based on projections and assumptions from the owners. Property behind the building will provide space for a future barrel and grain warehouse as more storage is needed for the aging process for whiskey.

The design project with MMEC reduced the management hours required to oversee an optimized facility, freeing up time to address other business development needs. The result was a state approved (compliant) facility that is safe, efficient and poised for continued growth. It includes a bottling area where small groups can efficiently bottle the end product. It accommodates a lab area with deep sinks, emergency eye wash station, and related needs to perfect products. A tasting room is also part of the footprint.

“The MMEC help has had a great impact on us, learning the need for such things as trench drains ... and blue prints were not in our budget,” Robin said. “By helping us with a good layout and room for expansion, Mark saved us a million dollars in startup costs counting hours saved, unneeded overbuilding, and site location potential and value.”

Law Changes Enable Post-Prohibition Distilling

After watching as the micro-brewery industry sprouted and entered its third wave of growth, the Blazers began asking what they could do that would be different with more of a ground floor opportunity. That question was coincident with 2005 changes in Montana's laws regulating in-state liquor manufacturing in 2005. These changes made distilling less costly by lowering excise and license tax rates for in-state companies manufacturing and distilling less than 20,000 proof gallons of liquor per year.

Additional legislation in 2007 allowed distilleries to have tasting rooms where a regulated amount of spirits can be sold. Willie's tasting room is open seven days a week. It is self-sustaining but an integral part of marketing the business, Robin said.

"The Legislature has been very receptive to making changes; they've been very good to us [as an industry]," she said. Distilleries have been a great impact to state and local economies, as well.

"With the advent of microdistilleries, it has blown apart commonplace thinking about hooch," Willie said, observing that spirits are talking over market share across the nation. "It's an exciting time to be in the beginning of a market. They're finding once again, taste matters."

Willie's now has nine employees and several sales staff outside Montana. It offers four staple products: Moonshine, Honey Moonshine, Whiskey, and Brandy, as well as Liqueurs using Montana grown grains, honey, and native berries. The business is licensed for additional products, according to Robin, and some are still maturing in barrels.

The Bighorn Bourbon recently received silver medal (score of 85) from the 2014 Tastings International Review of Spirits, which was very good the first time out, Robin said. The top rating there was a 93.

Buy Local, Grow Local

In keeping with the goals of RBEG, Willie's is helping maintain the local flavor of the Old West style community, creating more buying options, supporting locally grown, investing in community, and providing jobs that pay well. Montana roots make it "important for me to support the local agricultural community," Robin said. Much of the grain comes from Montana Milling in Conrad and Malteurop Malting Facility in Great Falls, Montana honey from Wentzel Apiaries at Twin Bridges, and native berries, like chokecherries, from local harvests. Spent grain goes to area ranches for livestock feed.

"The tasting room has been good for us." From it they have been able to get product into other states because customers travelling home and ask for it. "And it's money staying in our community," she added. The product is now sold in three states, with a distributor recently signed on in Singapore for Montana Moonshine and Bighorn Bourbon sales.

The Ennis Chamber of Commerce estimates that for every \$100 spent locally, \$45 stays in the local economy compared to only \$14 from national chain expenditures.



Second to None

During a recent visit with Robin and Willie, Shyne commented on how knowledgeable the employees are about the product. The signature products, bottled every few weeks, are hand-labeled with batch number, product name, and signed by staff for traceability.

"Everybody is the face of the business," Robin said. "They need to know what we do and why we do it." In a small town, people have a lot of product questions, whether you see them at

the hardware store or out on the street. “We hold people to a pretty high standard of knowledge ... a team second to none.”

“We are glad we are on Main Street and serving as a good driver of business, Robin said. A spring “pig pickin’ roast” and fall jamboree are catered locally and held on the grounds adjacent to the distillery. “People love it.” Willie’s is making this end of town a destination spot. A Gallery has opened nearby, and some building renovations in the area are reviving what was a sleepy part of Main Street.

The next phase of growth will be additional staff training in Lean Manufacturing, as well as more quality awareness and how the people side can affect business, Robin said. “Right now Willie and I are working *on* and *in* the business because things have to be done. The business is exploding, not slowing down.”

*Montana Moonshine bottle image courtesy of Willie’s Distillery
Story & site visit photos by [Deborah Nash](#), MMEC*

SMALL & MEDIUM-SIZE MANUFACTURERS

Innovators ♦ High Paying Job Creators ♦ Spurring Economic Growth

To learn more about how MMEC services help you to succeed check out
<http://www.mtmanufacturingcenter.com>