



VCU

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Public Affairs

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VCU Brew

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VCU BREW

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Project Sponsor: Ed McLaughlin, Vice President and Director of Athletics

PROJECT ABSTRACT

VCU Brew is an innovative proposal to create a VCU branded signature beer. The Campus Connectors will present a rationale showing how this proposal will i) potentially generate revenue to benefit VCU scholarships and academic programs, ii) create opportunities for experiential learning by engaging VCU students in product development, branding, labeling, marketing, business, and awareness of responsible drinking, iii) and guide the process of partnering with local breweries to provide practical expertise and stimulate entrepreneurship initiatives that lead to distribution at VCU athletic, community and Alumni events, while increasing ties with the community and national prominence.

QUEST 2025: TOGETHER WE TRANSFORM

Theme I: Student Success

Goal I.1: Prepare our students to be creative innovators and entrepreneurs who make a difference in an increasingly diverse and connected world

Theme III: Collective Urban and Regional Transformation

Goal III.1: Advance innovations for high-quality education and workforce development

Goal III.3: Elevate VCU's contributions to the region's economic and cultural vitality

Real-world learning that furthers civic engagement, inquiry, discovery and innovation is an action item topping VCU's proposed mission statement currently pending approval of the General Assembly. Equally valuable are the Quest 2025 themes that highlight student success, national prominence, collective urban and regional transformation and diversity driving excellence. The team's initiative to create a signature university craft beer combines experiential learning, community engagement, and national prominence through student involvement in innovation. VCU Brew provides opportunities for student success through inspiring inquiry, discovery, and creative expression across multiple schools and disciplines. Students will be able to tap into an evolving brewing industry through experiential learning. Experiential learning in this scenario consists of branding and marketing a signature VCU beer, creating the product, developing a business plan, and educating the public on responsible drinking. This initiative will allow students to gain unique experiences, affording advancement into a competitive workforce. VCU Brew strengthens key strategies for Theme I, including student academic and career planning as well as readiness and employer engagement. Additionally, VCU Brew expands the R.E.A.L. (relevant, experiential, and applied learning) initiative and could contribute to an increased percentage of students participating. For Theme III, VCU Brew aims to prepare students to be career-ready for the innovative and emerging craft brewing industry and to enhance collaborations with local breweries thus contributing to the local economy and culture. Due to the nature of the product,

the primary student audience will be 21 years of age and older, while VCU Alumni and Siegel Center ticket holders are the target consumers.

PROJECT GOALS

1. To develop a product that generates revenue to support academic scholarships
2. To engage and create experiential learning opportunities to students, and to include faculty and staff by involving all in the process of creating a product to represent one of Richmond's strongest economic sectors.
3. To provide students the opportunity to apply their knowledge and to acquire practical expertise that prepare them to make contributions to the craft brewing industry.
4. To serve as a catalyst for entrepreneur initiatives and to make students aware of potential careers in the brewing industry.
5. To create an awareness campaign on substance abuse as VCU, in collaboration with the Wellness Center and the College for Behavioral and Emotional Health.

PROJECT STRATEGIES

To complete this project, the team conducted meetings with university leaders and stakeholders to gauge their enthusiasm and determine project feasibility. The team consulted universities that have developed signature wine or beer products to improve knowledge about the process and parameters to consider and conducted a survey of key constituents to determine interest and marketability of a signature beer. Finally, the team participated in hands on learning through brewing beer and touring a local craft brewing to learn more about the brewing process and successfully running a craft brewery in Richmond, through developing a business model and undertaking a financial analysis. The team determined that there is broad support and interest in a signature beer, not only from stakeholders but also from the survey results, while recognizing potential concerns related to licensing an alcoholic product and obtaining necessary approvals. Finally, the team met with representatives from the Office of Continuing and Professional Education (OCPE) and da Vinci Center to identify opportunities to involve students in bringing this project to fruition, and agreed to serve as mentors for a team of da Vinci students in the Masters of Product Innovation program who will build on the team's progress as part of a capstone project.

ACTION STEPS

The team completed the following action steps:

- Met with key stakeholders within VCU including Athletics, Police, Student Affairs, Business Services, Intellectual Property, Public Affairs, Alumni Relations, Legal, da Vinci Center and OCPE to garner support for the project.
- Experimented with brewing a beer to improve knowledge and appreciation of the process of developing a craft beer.
- Reviewed data on economic impact of brewing industry in Virginia and workforce needs.
- Collected statistics on current beer sales and police incidents in the Siegel Center.
- Developed a phone script and conducted interviews with five universities who have developed signature beers or wines to determine barriers and best practices.
- Developed a handout with data on existing university signature beers, economic impact of brewery industry, and support for educational programs in fermentation science and business.
- Brainstormed about product naming, branding and marketing (logo, can/glassware), experiential learning opportunities, responsible drinking campaigns.
- Explored collaboration with local craft brewery on a "proof of concept" product.
- Conducted a needs assessment survey with VCU Athletics Board members, Siegel Center season ticket holders, and VCU Alumni to determine interest in and perception of a VCU-branded signature beer.
- Developed a draft business plan based on projected sales and estimated costs.

- Explored opportunities for transitioning the GEHLI team project to the da Vinci Center Master of Production Innovation program for a capstone project.

OUTCOMES

A recurring theme sounded when the team met with university leaders: 'VCU is an ideal institution to cultivate bold ideas.' Several leaders such as VCU Police, Student Affairs, Business Services, Public Affairs, and Alumni Relations urged the team to develop answers for how a university beer could affect VCU's image, and suggested garnering input from key stakeholders (alumni, athletics board members and ticket holders) via surveys to ascertain their interests for such product. Other leaders offered expertise in contract complexities, best practices, and university protocols. All told us it is possible.

Results from a needs assessment survey suggest a strong interest in VCU developing a signature beer (88%) based on 140 responses, the majority of whom drink beer. Nine out of ten respondents indicated they would buy VCU-branded beer if profits supported a VCU scholarship or program, or if it were offered in a commemorative container. Over three quarters of respondents think it would improve rather than harm VCU's image. However, qualitative responses included concerns about a university with a health system associating itself with alcohol. Additionally, respondents personally affected by substance abuse expressed reservations about the impact of VCU promoting alcohol. The most important factor in developing this signature beer is taste, followed by support for VCU. Lager or IPA are the two preferred style options. Please see Appendix A for more details.

Partnership with the da Vinci Center will allow a group from the Masters of Product Innovation cohort to make VCU Brew real. This project offers students branding, marketing and entrepreneurship experience. Students will have the chance to design a business model and connect with local breweries to create a product, and determine best distribution channels. Additionally, students will collaborate with The Well to create a responsible drinking campaign. Contingent upon success, profits from VCU Brew will benefit the university by providing revenue for scholarships.

SUSTAINABILITY

For VCU Brew to become a reality, the team project must be transferred to a da Vinci Center capstone project. Many decisions need to be made from selecting a brew, creating product packaging, developing the "brand" and marketing the beer. Students will need to develop business and distribution relations and cultivate university support by developing a robust and compelling business model that will generate sufficient revenue to sponsor student scholarship. The team is confident that, with university support, this will happen. To continue implementation of VCU Brew, the team suggests the following action steps:

- Transition team to mentorship role with to da Vinci Center students to allow them to build on market research and feasibility data and continue project implementation.
- Present project data to VCU Office of Public Affairs for review and approval.
- Develop plan for student learning opportunities related to VCU Brew (recipe and product development, labeling, marketing, business plan).
- Partner with The Well to create a responsible drinking campaign.
- Begin discussions with VCU Legal and Procurement for implementing contracts and competitive bids.
- Determine plan for product revenue to support academic programs and scholarships.

FINANCING AND RESOURCES

Picking the right brewer-partner will be key to making this project a financial success. Given VCU does not have the capacity (or desire) to produce the beer themselves, a partnership with an established brewery to produce the beer appears the logical choice. Such an arrangement could be structured in a variety of ways carrying different levels of risk and potential profit margins, including i) royalty/licensing fee, ii) contracted production, iii) hybrid royalty/contracted production, or iv) joint venture possibly with the VCU Brewing Certificate Program. The team believes the best, easiest and fastest way to get the project started is to use the royalty fee approach with a local brewery meeting requirements for insurance coverage, as it carries the lowest risk exposure for VCU and requires little or no outlay of capital. Most universities with signature beers used this approach, typically with royalty fee of 10-12%. Revenue for VCU will depend on sales volume, and thus marketing is key. Effective communication that profits should support VCU programs and scholarships will increase beer sales and chances of paying more for a VCU-branded beer when other options are available.

Project Budget

Item Description	Justification	Cost
daVinci Center capstone project (market studies, design work)	They will provide good data with reasonable estimates, design work, and complete business plan.	\$10,000 (potential donor identified through sponsor)

If the project is implemented, it is intended to be self-funding. Please see Appendix for business plan.

RECOMMENDATIONS

Avenues for successful implementation include continuation of project by a da Vinci Center cohort (students over age 21). This group will promote branding and marketing initiatives to the VCU over 21 community and alumni while partnering with a local brewery/ breweries, preferably with an alumni connection. This partnership will create a good PR story that will likely draw buy-in from key university stakeholders. Positive survey results from VCU alumni, Athletics board members and Siegel center ticket holders indicate a favorable rating for creating a university craft beer and support a strong case to present VCU Brew to Board of Visitors and University Public Affairs. Additionally, da Vinci students will collaborate with VCU procurement through respective faculty to negotiate deals and draft legal contract(s).

The team anticipates opposition for this project from stakeholders concerned that promoting a university beer is counterintuitive to VCU Health's mission to preserve and restore health for all people, including those with substance use disorders. A partnership with The Well and the College Behavioral and Emotional Health Institute to design a responsible drinking campaign might mitigate this concern. Proper communication with the da Vinci Center cohort to maintain the goal of project outcome providing a university scholarship is necessary. As beer is already being served at the Siegel Center; creating a VCU branded beer provides a way to return some of the profits back to VCU.

VCU's existing resources, such as the da Vinci Center, are a logical step. The team identified both interest and a potential sponsor to cover the \$10,000 required for a capstone project.

FINAL PITCH

VCU Brew creates an innovative product that represents the ingenious spirit of the university and its reciprocal relationship with the Richmond community. VCU Brew will aim to produce a signature beer in a partnership with a local brewery that will include the innovative contributions

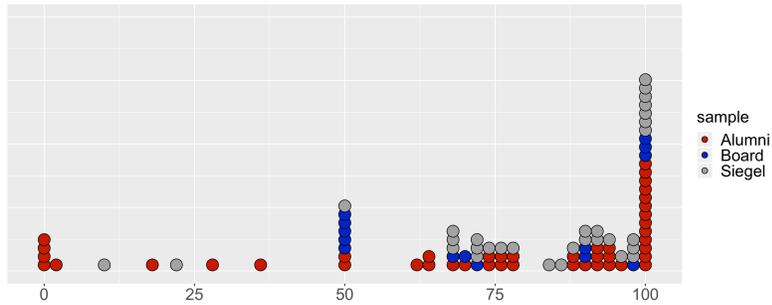
of students at the da Vinci Center and different departments across the university. VCU Brew has the support of varied internal stakeholders, the target audience through market research, as well as executive leaders across both campuses of the university.

Appendix A. SUMMARY OF SURVEY RESPONSES

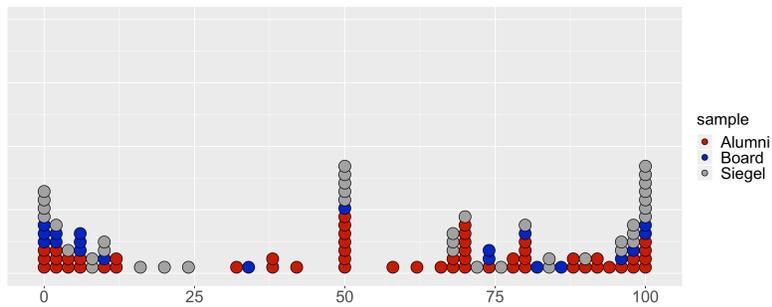
Responses to survey sent to

1. VCU Athletics Board Members N=22
2. Siegel Center Ticket Holders N=52
3. VCU Alumni N=70

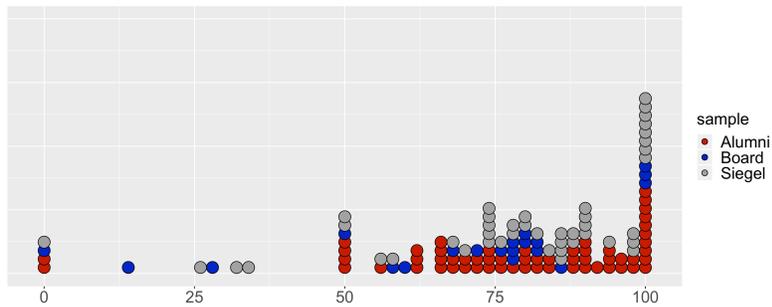
Rate your interest in VCU developing a branded signature beer:
 Not at all interested Neutral Extremely interested



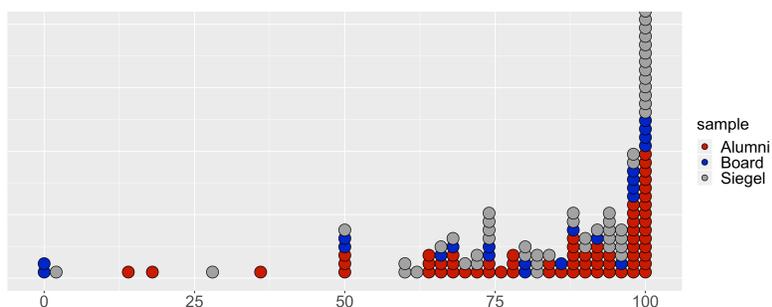
Would you be interested in a special edition or seasonal beer (e.g. a pumpkin beer during fall or a stout during winter) that would be offered only for a limited time?
 Not at all interested Moderately interested Extremely interested



How likely would you be to buy a VCU-branded beer if other beer options were available at the Siegel Center or at VCU events?
 Very unlikely Neutral Very likely

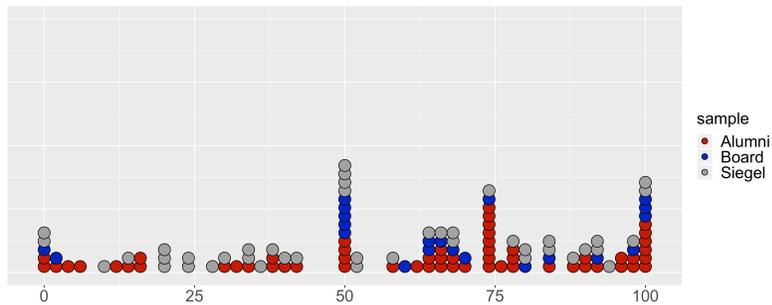


How likely would you be to buy a VCU-branded beer if a portion of sales supported a VCU initiative, scholarship, or other VCU program?
 Very unlikely Neutral Very likely



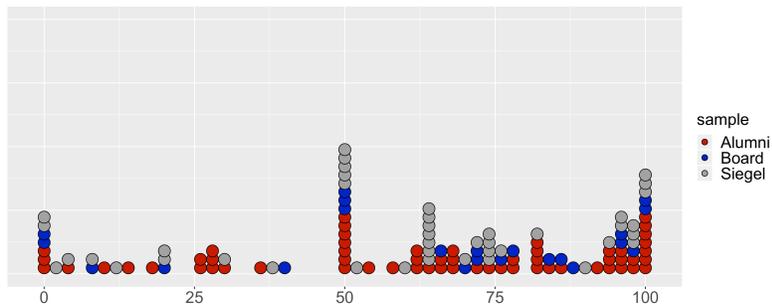
Would you pay a higher price for a VCU-branded beer if lower priced beer options were available at the Siegel Center or at VCU events?

Definitely wouldn't Neutral Definitely would



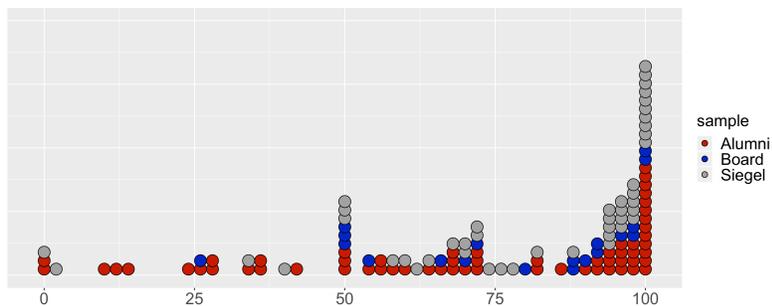
Would you purchase a VCU-branded beer based on affiliation to VCU alone?

Definitely wouldn't Neutral Definitely would



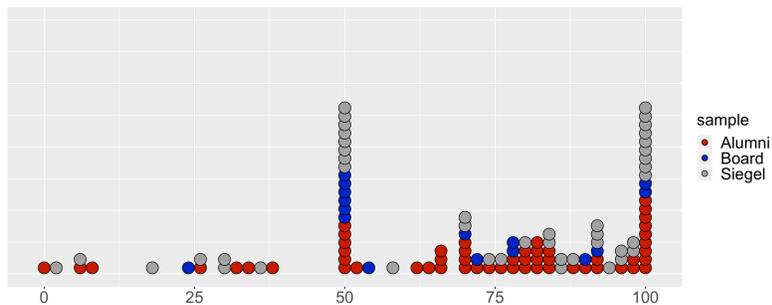
Would you purchase a VCU-branded beer if there was an offer that includes a special beer glass or commemorative container?

Definitely wouldn't Neutral Definitely would



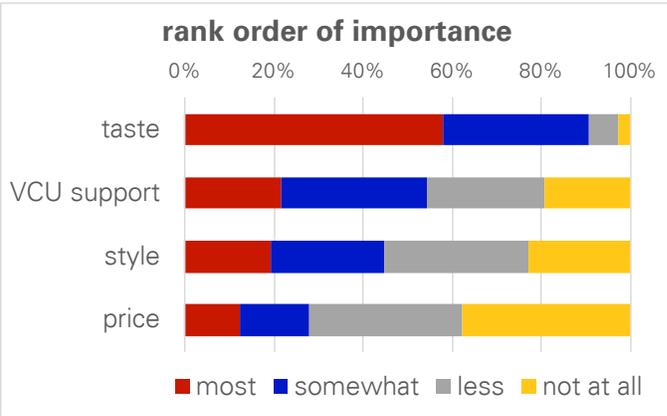
Do you think a VCU-branded beer would harm or improve VCU's image:

Likely to harm image Neutral Likely to improve image



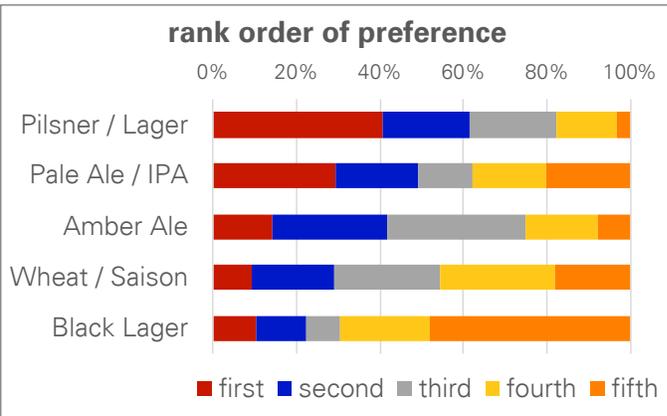
Rate which variable would most influence your purchase of a VCU-branded beer (rank order of impact)

	Most important	Somewhat important	Less important	Not at all important	NA
Taste	<input type="radio"/>				
Style (ale, lager, etc.)	<input type="radio"/>				
Price	<input type="radio"/>				
Support for VCU	<input type="radio"/>				



Rate which style of beer you would be most likely to purchase (rank order of preference)

	First choice	Second choice	Third choice	Fourth choice	Fifth choice	NA
Pilsner / Lager	<input type="radio"/>					
Wheat / Saison	<input type="radio"/>					
Amber Ale	<input type="radio"/>					
Pale Ale / IPA	<input type="radio"/>					
Black Lager	<input type="radio"/>					



APPENDIX B. VCU BREW BUSINESS PLAN

Royalty Fee Approach

The easiest and fastest way to get the project started is to use the royalty fee approach. This arrangement VCU would charge a royalty or licensing fee for a brewer to use VCU's trademarked intellectual property. This is estimated to be between 8% and 15%. In addition, this will be the lowest risk exposure to VCU since VCU will not be responsible for the brewing, distribution, and sale of the product.

Potential Income for VCU

Royalty Fee Income at various income levels. Assume addition of 6 packs at retail.

	Minimum Production Quantity			Current Sales at Siegel Center	
Annual Sales: Men's BB	\$46,872 (279 cases)	\$72,000 (333 cases)	\$144,000 (666 cases)	\$178,224 (825 cases)	\$216,001 (1000 cases)
Annual Sales: 6 Packs (cans)	\$10,000 (46 cases)	\$10,000 (46 cases)	\$20,000 (92 cases)	\$30,000 (139 cases)	\$30,000 (139 cases)
	\$56,872	\$82,000	\$164,000	\$208,224	\$246,000
Royalty %	12%	12%	12%	12%	12%
Royalty Fee Income	\$6824.64	\$9840.00	\$19,680.00	\$24,986.88	\$29,520.00

Contracted Production Plan

Using the contracted production approach requires VCU to purchase the beer directly from a brewer and take ownership of the product. VCU would have to coordinate distribution and sale of the beer. This presents more financial risk and liability risk for the University.

See an example below. At the 60 barrel (588 case) quantities, the contracting party would realize a loss. This approach requires a large quantity of contracted production in order to be profitable. The example below is from a small brewer. VCU would likely need to contract with a large brewer to make this model work.

Example of Contracted Production Model

Production Sales	Case Total	\$/Case	
16oz Can case 6x4pk	558	\$41.00	\$22,878.00
			<u>\$22,878.00</u>
Production COGS			
Production Costs	BBL Multiplier	\$/BBL	
Raw Materials	60	\$86.62	(\$5,197.20)
Contract Fee ¹			(\$7,800.00)
Freight	60	\$42.00	Adjust for # of turns (\$2,520.00) Depends on location of brewer
Packaging Costs ²	Case Total	\$/Case	
16oz Can case 6x4pk	558	\$14.92	(\$8,325.36)
			<u>(\$23,842.56)</u>
Net Income for Contracting Party			<u>(\$964.56)</u> -4.21%

¹ Contract Fees

Single Turn	\$4,600.00	30bbls
Double Turn	\$7,800.00	60bbls
Triple Turn	\$11,500.00	90bbls
Quadruple Turn	\$15,000.00	120bbls

² - Note this example assumes use of mobile packaging at \$14.92 a case.



Campus Connectors



Campus Connectors: VCU Brew

Denise Bullock

Director, Talent Management, Human Resources, VCU Health System

Lauren Dunn

Social Worker and Grants Administrator, Hematology/Oncology, Internal Medicine

Brian Fowlkes

Director, Foundation Services, University Controller's Office, VCU Finance

Hermine Maes

Associate Professor, Human & Molecular Genetics, Virginia Institute for Psychiatric & Behavioral Genetics

Elizabeth Marlowe

PCM Education Director, Practice of Clinical Medicine, School of Medicine

Fernando Tenjo-Fernandez

Associate Professor, Biology, College of Humanities and Sciences

Zakia Williams

Administrative Assistant, Dean's Office, School of Education



Project Goal

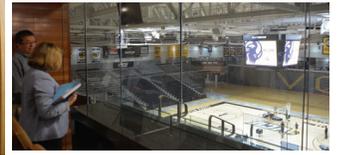


To create a
**VCU-branded
signature beer**

Project Sponsor for VCU Brew

Ed McLaughlin, Vice President and Director of Athletics

"No one here will tell you it can't be done if you have a good idea."



Beer Sales @Siegel in 2018/19 Season

● **\$178,224** Average: \$9,901/event - 18 games



● **Highest Sellers**

1. Devil's Backbone Vienna Lager
2. Hardywood Great Return
3. Hardywood Richmond Lager & Bud Light (tie)

● **Impact:** No formal statistics but anecdotal evidence from VCU Police that alcohol related incidents decreased after beer sales introduced

Beyond the Beer

- To develop a product that generates revenue to support **academic scholarships**
- To engage and create **experiential learning** opportunities for students, and to include faculty and staff by involving all in the process of creating a product to represent one of Richmond's strongest economic sectors
- To provide students the opportunity to apply their knowledge and to acquire **practical expertise** that prepare them to make contributions to the craft brewing industry
- To serve as a catalyst for **entrepreneur initiatives** and to make students aware of potential careers in the brewing industry
- To create an **awareness campaign** on substance abuse at VCU, in collaboration with the Wellness Center and the College Behavioral and Emotional Health Institute



Theme I:
 Student Success

Goal I.1:
 Prepare our students to be creative innovators and entrepreneurs who make a difference in an increasingly diverse and connected world

Theme III:
 Collective Urban and Regional Transformation

Goal III.1:
 Advance innovations for high-quality education and workforce development

Goal III.3:
 Elevate VCU's contributions to the region's economic and cultural vitality

Current Student Programs in VA

- VA Tech and University of Richmond** Beer Brewer Professional Certificate Program Partnership
- VA Tech** Fermentation Science track in Food and Technology Sciences
- ODU** Fermentation Science course focused on brewing
- Piedmont Va Community College** Brewing and commercial craft brewing courses leading to certification

Current Student Programs @ VCU

Department of Biology and Ardent Craft Ales

- 6 student interns since 2015
- Former intern, Erin Cochran, works and runs the lab @Ardent



OCPE Craft Beer Certificate Program

- Participants will do internships at partner breweries
- Participants will develop recipes and test them
- Business of Brewing Certificate also offered



Links to Quest 2025

How does making a beer help transform students?

- Provides opportunities for experiential learning @VCU
- Increases interest in VCU OCPE brewing certificate program
- Creates internship possibilities with local business in RVA community
- Stimulates innovation and creativity
- Generates opportunities for interdisciplinary collaboration
- "Fermentation is transformation!"** - Fernando

VCUBREW Cheers to Making it Real

experiential learning



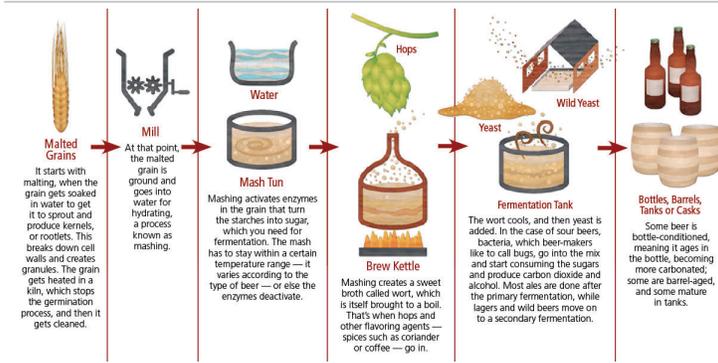
Brewing Ingredients



Malt Hops Yeast Water Beer

Brewing = SCIENCE

Brewing Process



Proof of Concept

What does it take to make a beer?
Brewing in the Life Sciences center



VCU student

Brewing is Science

JOURNAL OF CHEMICAL EDUCATION

Article
pubs.acs.org/chemeduc

The Biology and Chemistry of Brewing: An Interdisciplinary Course

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¹Chemistry Department, Westminster College, Salt Lake City, Utah 84105, United States
²Biology Department, Westminster College, Salt Lake City, Utah 84105, United States

Box 2. Laboratory Exercises

Chemistry

1. Analysis of α - and β -Acids in Hop Pellets by HPLC
2. Determining the Acidity of Beer Using an Automatic Titrator
3. Determination of the Calcium Content of Beer and Water Using Atomic Absorption Spectroscopy
4. Determination of Beer Bitterness by UV Spectrophotometry
5. Determination of the Alcohol Content of Beer Using Gas Chromatography

Biology

6. Yeast Flocculation Assay
7. Yeast Genotyping Using Delta Sequence PCR
8. Determining the Amylase Activity in Malted Barley

Virginia Craft Beer Industry

Richmond VA

- High-quality breweries: 21
- Average price for a pint: \$6.72
- Average beer advocate score: 3.94
- High quality beer bars: 13

VIRGINIA

236 Craft Breweries (RANKS 2018)

1,641 Million Economic Impact (RANKS 2018)

262 Impact per Capita (RANKS 2018)

405,465 Barrels of Craft Beer Produced per Year (RANKS 2018)

2 Gallons per 21+ Adult (RANKS 2018)

3.7 Breweries per Capita* (RANKS 2018)
*per 100,000 21+ Adults

NUMBER OF CRAFT BREWERIES OPERATING PER YEAR

State	High Quality	All Breweries	All Restaurants	All Food/Drinks
San Diego, CA	115	\$6.18	4,172	83
Minneapolis, MN	62	\$5.75	3,926	14
Portland, OR	62	\$6.29	4,066	38
Channahon, IL	29	\$6.39	3,931	22
Seattle, WA	60	\$5.68	3,906	48
Denver, CO	91	\$6.07	3,842	23
Wetumpka, GA	34	\$5.93	3,919	38
Duland, FL	21	\$6.04	3,884	17
Richmond, VA	21	\$6.72	3.94	13
St. Petersburg, FL	18	\$5.63	3,822	13
Pittsburgh, PA	26	\$6.30	3,906	13
Baie, ID	19	\$5.16	3,652	9
Madisonville, TN	35	\$5.03	3,806	11
Durham, NC	11	\$5.72	3,85	14
Charlottesville, VA	39	\$5.50	3,878	30

www.brewersassociation.org/statistics-and-data/state-craft-beer-stats/?state=VA
www.wanderu.com/blog/best-craft-beer-cities/

VCUBREW Cheers to Making it Real

practical expertise



Strategies for VCU Buy-in

Stakeholders

- Athletics/Siegel Center
- VCU Police
- Student Affairs
- Business Services
- Innovation Gateway
- Legal Counsel
- University Public Affairs
- Alumni Relations
- Continuing Education
- da Vinci Center

Themes

- Focus on student involvement, sustainability
- Highlight scholarship
- Conduct surveys
- Responsible drinking component
- Connect with multiple, preferably alumni-owned breweries
- Explore donations through VCU Foundations
- Address how VCU will leverage selling beer and operating medical center
- Contract complexities

Discovery

What is happening at other universities?

Interviews with five established programs

How can we make it happen?

Business models & financial analysis

What do the people want?

Surveys with stakeholders



Share your thoughts on the possibility of developing a VCU-branded beer by taking a short survey by Friday, Aug. 30.

[READ MORE](#)



Precedence

School	Program Started	Product
Tulane	2017	Green Wave
Louisiana Lafayette	2015	Ragin' Cajun
Purdue	2017	Boiler, Black & Gold
LSU	2011	Bayou Bengal
N.C. State	2019	Old Tuffy



Lessons Learned

- Find a **brewery connection** to an alumni, work with alumni and connect to the community
- Allow brewery to assume risk
- Select the beer carefully, taste is important for continued sales
- Start with sales at athletic events; to retail, bars, restaurants
- **Develop your "story"**



The Ardent Experience



entrepreneur initiatives



Three Possible Models

Royalty Fee

- VCU charges a royalty fee or licensing fee for use of the VCU name/logo
- Simplest and most popular approach

Contracted Production

- VCU contracts with a brewer to produce beer; brewer gets paid an agreed upon amount and VCU takes ownership of product
- More complex

Joint Venture

- Could involve VCU Brewing Certificate Program and other units around the university
- Most complex



Licensing

Protected names and wordmarks:

- Virginia Commonwealth University®
- VCU®
- VCU Rams™
- Rams™
- VCU Health™
- Havoc®



Protected logos:

- University logos
- Athletic logos



VIRGINIA COMMONWEALTH UNIVERSITY



Branding

Current policy:

“VCU will not approve the use of its name or identifying marks to promote tobacco, illegal or controlled substances, sexually oriented products, alcohol, religious products or games of chance.”

Options:

- Determine if exemption or revisions to policy is an option
- Create a VCU-inspired name and use VCU colors without official logo or branding



Feasibility

If approved, can we actually do it?

VA ABC 3-tier distribution system

Brewer-Distributor-Retailer

General Assembly

Unknowns issues

VA Procurement

Rules for competition in partnering with community brewer

Funding

Will it be financially viable and will benefits outweigh risks?



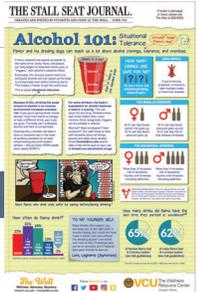
Office of Procurement Services



Responsible Drinking

If approved, how do we do it responsibly?

- Partner with **The Well** and **COBE** to create responsible drinking campaign like The Stall Seat Journal



- Consider labeling or QR code for “Chief Venuti’s Party Tips” and other resources



- Promote to **alumni** and community, not to students (majority over age 21)



awareness campaign



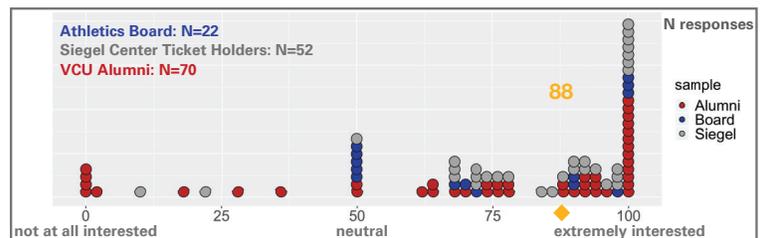
Stakeholder Survey

Rate your **interest** in VCU developing a branded signature beer:

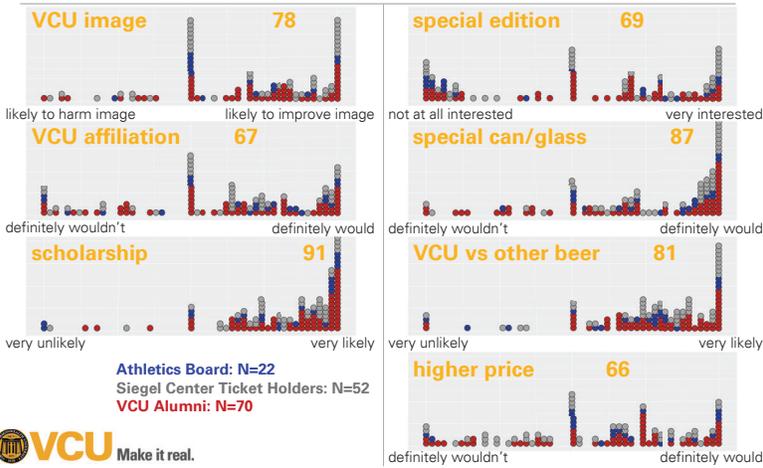
144 responses

◆ median response

Not at all interested Neutral Extremely interested



Response Ratings



VCU Make it real.

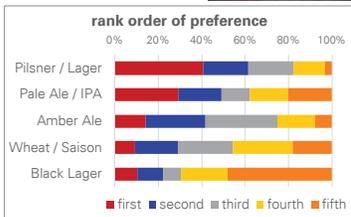
Beer Types

Ale: Top fermentation
Lager: Bottom fermentation
Secondary fermentation

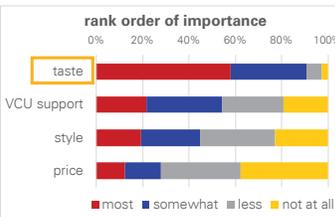


Response Rankings

Rate which **style** of beer you would be most likely to purchase:



Rate which **variable** would most influence your purchase of a VCU-branded beer:



VCU Make it real.

Key Take-aways

- Not everyone thinks this is a good idea for VCU
- High interest in signature VCU beer: 88
- Buy VCU beer if supported scholarships: 91
- Buy VCU beer if in commemorative container: 88
- More likely to improve VCU's image: 78



- 93% of respondents drink beer
- Most important factor: **taste**
- Most preferred style of beer: **lager & IPA**



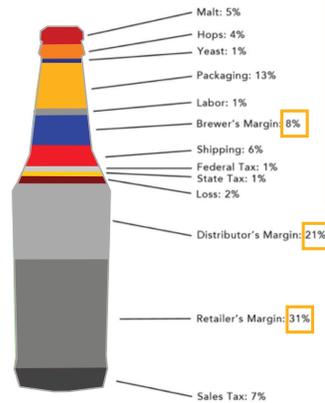
VCU Make it real.

VCUBREW Cheers to Making it Real

academic scholarship



Craft Beer Economics



VCU Make it real.

www.huffpost.com/entry/craft-beer-expensive-cost_n_5670015

Actual Example from Ardent Brewery

1 batch = 30 barrels = 279 cases: 24 16oz.cans per case

Item	Quantity	Cost	Margin
Raw materials	\$86.62/barrel (x30)	\$2,598.46	
Taxes, Utilities, Chemicals	\$24.60/barrel (x30)	\$642.50	
Packaging	\$9.04/case (x279)	\$2,522.16	
Total per batch		~\$3,250	
Cost for Brewer per case	\$3,250/279=	\$11.65	37%
Sale to Distributor per case		\$33.54	31%
Sale to Retail per case		\$48.68	71%
Sale to Public @ \$7 per can	\$7 x 279 cases or 6,696 cans	sold for \$46,872	



Sales/Revenues and Sustainability

Item	Sales/Revenues
Sales of beer concession (18 games) at Siegel center	\$178,224
Assume VCU Brew could gain 20% of market	\$35,645
Assume 12% 'royalty'	\$4,277
Most conservative estimate	
Sales of just launched "Old Tuffy" at NC State	
Aug 5 - Sep 6 (one month): 25,000 cans	
Now projecting 250,000 cans for season @ 9.00/ can	\$2,250,000
Assume 12% 'royalty'	\$270,000
Most aggressive estimate	



VCUBREW Cheers to Making it Real

Inspiration | Ideation | Realization

A collaboration of VCU's Schools of the Arts and Business and the Colleges of Engineering and Humanities and Sciences, the VCU da Vinci Center is a unique collegiate model that advances innovation and entrepreneurship through cross-disciplinary collaboration.



Next Steps

Team met with **da Vinci Center** to explore transitioning project to students to build on market research and feasibility data to continue project implementation



Adam



Sierra



Septimus

"We're a pretty forward - that's why I'm here - forward-thinking institution that I think is willing to take risks; I would not be here if we didn't take risks."
- Garrett Westlake



da Vinci Capstone



- Campus Connectors are transitioning to sponsors of a student team in the Master of Product Innovation program
- VCU Brew will become a 2019/2020 capstone project
- First class met September 5, 2019
- Ed McLaughlin will remain a sponsor and is optimistic about a \$10,000 donation for the capstone project



da Vinci Designed Logos



Next Steps for da Vinci

- Continue discussions with **VCU Legal, Procurement,** and **Business Services** for implementing contracts and competitive bids
- Determine **plan for product revenue** to support academic programs and scholarships
- Present project data to **VCU Office of Public Affairs** for review and approval



Next Steps for da Vinci

- Develop plan for **student learning opportunities** related to VCU Brew (recipe, engineering, labeling, marketing, business plan)
- Partner with the **Wellness Center** and the **College Behavioral and Emotional Health Institute** to create a responsible drinking campaign



Thank you for your time and expertise!

Ed McLaughlin	Tom Sullivan
Catherine Policastro	Michael Huffman
Olivia Dethomasis	Stephen Fong
John Venuti	Edward Howard
Chuck Klink	Jay Davenport
Diane Reynolds	Amy Gray Beck
Ivelina Metcheva	Elizabeth Brooks
Brent Fagg	Garrett Westlake
Mike Porter	Allison Schumacher
Bob Saydlowski	Mike Escobar

Thank you!

GEHLI

Nakeina Douglas-Glenn
Amy Armstrong
Kiara Faulks
Olivia Barnes
Shabana Shaheen
Angela McGrath

A special thank you to Kiara for going the extra mile so that we can all enjoy a beer!



Q&A



**"Beer is here!
Let the brew serve VCU"**
- Hermine



Quotations from Survey Responses

I really like the idea of a portion of sales going to support academics-scholarship or some type of initiative. That would make me much more likely (well, along with flavor) to buy a **VCU** beer over others that might be offered for purchase.

Hopefully you're already planning on this, but your partner brewery absolutely needs to be local. Or - **VCU** needs to open its own Brewing program and brewery?? And this beer needs to be at a low price point. I don't plan on paying extra to drink beer just because it says **VCU** on it. I also think you need to do something around black and gold.... like a black lager and a golden pilsner. Or something. Ram Nation needs this endeavour to look nothing like selling out. Please.

I have totally no interest in developing a craft beer with ties to my alma mater. My marriage was effectively destroyed by the alcoholic nature of my spouse and the abuse and violence resulting did more long-lasting damage than I can express. Lessons painfully learned but solidly held. I advise you carefully poll physicians and others who serve this community for their input.

I think it's an excellent idea, though I'm sure there will be plenty of pushback as most students of traditional college age are under the age of 21. However, **VCU** is anything but traditional and as such, enjoys going "against the grain." Pun intended.

This is the coolest idea we've ever had. What a great way to connect VCU to the beer culture in Richmond. I think I heard that **VCU** is going to start offering brewing classes/certificates? I know we have a craft beer cert. It would be really cool if students could be a part of the brewing, branding, and marketing process.

Excellent idea as **RVA** is a leader in craft beer and several of our alumni own and operate breweries in the region!

For branding - **Black & Gold** should be integrated - obvious choices would be 2 beers, a stout (**black**) and a pilsner or wheat (**gold**). Or challenge your brewer to a make one black & gold beer. Or ram jam!

Quotations from Survey Responses

This could be a home run for VCU. Marketing and making beer seem like an easy marriage for VCU and our great local beer producers. VCU Continuing Education offers a beer program. Tell Ed McLaughlin, Sláinte!

Supports culture of college and underage drinking. Conflicts with image that VCU wants to prevent alcohol misuse and alcohol-related harms.

I would definitely buy it once for the novelty and to support a cause. I would buy it repeatedly if it tasted good. Are you able to analyze beer sales data from VCU basketball games to understand fan preferences for beer style?

RAM Spirit would be a great name!

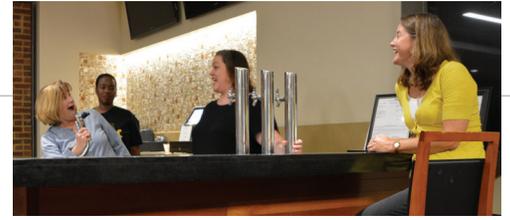
Since VCU has a sober living community I am not sure it is in good taste to have a VCU branded beer. It kinda makes it seem we do not care about those students and their sobriety journey. It would be neat to have a VCU branded coffee, soda or some other kind of drink. Also most of our students are not of drinking age. It would be nice to have a beverage that everyone can enjoy.

Surely there are better ideas to represent the university and generate income.

I think it's a creative idea worth pursuing, particularly if it is aligned with the University's education for brewers and not only for fund raising or jumping on band wagon if others are doing.

If students or alums are not directly involved in the creation or production of this beer, I would view the endeavor as harmful to the university's image.

I think it would be a great idea, even though it would be impossible to make every beer drinker happy due to variety of tastes. Perhaps a local brewery could make a variety of VCU beers, highlighting different aspects of VCU



Cheers!

