

Ep.2.13 - Conrad Haremza and Jamie Wright

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SPEAKERS

Announcer, Ed Clemente, Conrad Haremza, Jamie Wright

A Announcer 00:02

Welcome to The Michigan Opportunity, an economic development podcast featuring candid conversations with business leaders across Michigan. You'll hear firsthand accounts from Michigan business leaders and innovators about how the state is driving job growth and business investment, supporting a thriving entrepreneurial ecosystem, building vibrant communities and helping to attract and retain one of the most diverse and significant workforces in the nation.

E Ed Clemente 00:28

Hello, my name is Ed Clemente. I'm your host today, and we have two guests today, we're very fortunate. Conrad Haremza, Senior Regional Director at Proximo Spirits in Michigan, Ohio, and West Virginia, but he's based here in Michigan. And then also we're fortunate to have Jamie Wright and is Regional Sales Manager, Detroit City Distillery, but you have CSS after your name, Jamie, what does that mean?

J Jamie Wright 00:53

Yeah, so that's actually I'm a Certified Specialist of Spirits. So similar to Sommelier, a CSW in wine speak. It was a really great test that my old distributor helped us go through and I passed. So now I have a really cool accreditation.

E Ed Clemente 01:10

Yeah, I want to maybe hear a little bit more about that, too, when we get to your portion. But what we decided ahead of time, we're going to start out with Conrad because he's the current Chair of the Michigan Spirits Association and I know that him and I have known each other a while, from my days at Liquor Control, and Conrad, why don't you first say a little bit? First of all, what the Michigan Spirits Association is?

C Conrad Haremza 01:35

Yeah, the Michigan Spirit Association actually has been around for over 50 years. We were established in 1967, and we have, we currently have 46 members representing about 74% of the spirits sold in the State of Michigan, which is, you know, over almost nine and a half million cases, so sold last year.

E Ed Clemente 01:59

You say spirits, I just want to make sure that everyone knows the difference, but there's like three broad categories, right? There's spirits, and why don't you define spirits? And then the other two are like beer and wine, right?

C Conrad Haremza 02:10

Correct. So spirits in those cases are everything that falls in the state system for the State of Michigan. So high, high spirits product.

E Ed Clemente 02:22

And why don't we give a little plug for Proximo, because you work for them, but what do you guys distribute some of your flagships or whatever you want to mention?

C Conrad Haremza 02:30

Yeah, so my daytime job is with Proximo Spirits. We are the, we come from the original Cuervo family. So, you know, our big brand is Jose Cuervo, we're very heavy tequila based. Jose Cuervo 1800 tequila, but we've also branched into the whiskey categories of Bushmills Irish whiskey, Proper 12, we're in the American whiskey category as well Stranahan's, Pendleton, Out West, so we do a little little bit of everything. We also big sector of ours is the ready to drinks that you would maybe see in your supermarket the Jose Cuervo Authentics, 1800, RTDs, etc. So, really, tequila is what definitely drives her business.

E Ed Clemente 03:19

And can you sort of give, and this is because I know you from before, but kind of explain how the system works a little bit because you're sort of like a manufacturer or sales rep, I'm guessing, right? And, and you guys sell all, no spirit is sold in Michigan, unless it goes through mainly most of your members, right? For the Michigan spirits Association, correct?

C Conrad Haremza 03:41

Correct. So, you know, after Prohibition, that we are part of the three tier system, which basically as a structure that, you know, producers can sell their own products to wholesalers, and distributors sell it to retailers, and only retailers can sell it to consumers. So there's there's three, three tiers to it, its supplier, distributor, and then to your local store or bar. And then obviously, that's where the consumer picks it up from there. But you know, we are, me and Jamie are in the supplier side or the first part of the three tier system.

E

Ed Clemente 04:22

Yeah, and because you mentioned Jamie, I'm gonna ask her I'm gonna go out of order and ask her a question. But who did you work for, the biggest distributor in Michigan for was it Great Lakes?

J

Jamie Wright 04:33

It was for Great Lakes Wine and Spirits for 14 years.

E

Ed Clemente 04:36

And they sell both wine and I mean, when their name right, it's pretty obvious.

J

Jamie Wright 04:41

They beer for a little while also, I was only ever, well, I was in the wine side for about five minutes, but then I was majority on the spirit side.

E

Ed Clemente 04:48

And that's probably where you and you and Conrad have worked together before right, at one time?

J

Jamie Wright 04:53

Oh yeah. Yeah, I've known known Conrad for probably well over 10 years at this point.

E

Ed Clemente 04:58

And also, you're on the board aren't you as well for the Michigan Spirits Association too, right?

J

Jamie Wright 05:04

Yeah, yep. I actually sit as the Small Distilleries Director. So I represent all the small craft

distilleries around the state making sure that our needs are being advocated for, its not just all the big guys.

E Ed Clemente 05:16

Yea, and we're going to come back to you, go ahead Conrad.

C Conrad Haremza 05:19

Yeah and Ed, that's a good point. You know, I said, we represent 74% of the distilled spirits in Michigan, but that includes big brands, or national brands, obviously, like Jose Cuervo, but also small local distillers here in Michigan, which Jaime falls into that category.

E Ed Clemente 05:40

Yeah. And why don't you? A couple of the things I think you do is pretty interesting. I don't think people realize how many people work for the entire industry, not for you specifically, but like, how many drivers are out there? I mean, I know you know some of those numbers off the top of your head, being the chair?

C Conrad Haremza 06:05

Yeah, we generate a lot of jobs in the State of Michigan. That that is when you think of every of the three tiers we just talked about, you have the suppliers, where we're at, you have the distributors, which we talked about Great Lake Wine and Spirits. RNDC [Republic National Distributing Company] is another one, you figure there's the sales force that included the drivers, that then distribute to the bars and restaurants. So you know, the jobs that are provided in that window, with with liquor with the amount of revenue, it's a lot of jobs in the State of Michigan. You know, a lot of revenue is generated through the state system for Michigan, actually \$622 million in 2021.

E Ed Clemente 06:52

Yeah, and I know that, you know, that tax is a big revenue, I know from Michigan Liquor Control, but I also know that you guys, practically like for example, some of your sales reps and drivers don't think all the way up to the U.P. and everywhere else. I mean, they cover the whole state, all your 46 organizations do, right?

C Conrad Haremza 07:14

Correct. For the the ADAs or delivery agents, contracted by the State of Michigan. Under their agreement, they must cover every county in the State of Michigan, which obviously means the U.P., etc. So yes, coverage across the whole state.

E

Ed Clemente 07:31

And I don't know if I want to confuse the listeners anymore, but it might take a chance. We're a controlled state. So I mentioned up front that you're in three different states, are all, so can you give a quick sort of layman's definition of what a controlled state is to a little bit?

C

Conrad Haremza 07:49

Yes, and controlled state's name can be a little deceiving, because obviously, we're a regulated item across the country. But there are there 17 states that the state has a monopoly on the liquor sold in that state and Michigan pertains to be one of these, is one of these and Ohio is another and West Virginia in the Midwest is is a third. You know, just you know, out west, you've got Oregon, Montana, Wyoming, Idaho, Iowa, Mississippi, Alabama. Out east is North Carolina, Virginia, Maine, Vermont, New Hampshire, are basically what consists of the controlled states.

E

Ed Clemente 08:36

Yeah, it's pretty fascinating. And I think a lot of this too, as you mentioned earlier, sort of derived after Prohibition, right? And a lot of these rules are sort of like the old blue laws, you know, as you know, my family owned a bar, and I was, I was a bartender for a long time, too. So I'm pretty familiar with the industry, but I know we got into the business after prohibition, I'm gonna say up front. In case like any family members listening. But I think that a lot of this is very interesting, and it's really is impacted, I think, a big issue, is the hospitality angle too. I mean, we'll get more of that, I think with Jamie a little bit, but I think how you guys sort of fit into Pure Michigan too, with a lot of these things, right?

C

Conrad Haremza 09:25

Yeah, absolutely. You know, we do have, we do fit into Pure Michigan. Obviously, part of the MSA too is promoting responsible consumption of distilled spirits. But like, like we said, with the jobs they create, we are definitely part of that.

E

Ed Clemente 09:45

Why don't you dive just a little bit more into that responsible drinking? I know that's a big issue for you guys and you guys are pretty focused on it. Why don't you just kind of explain what that means to the general public a little bit.

C

Conrad Haremza 09:56

The responsible drinking is you know, we want to grow the business, we want to bring revenue to the State of Michigan which which helps everybody, but also do it in a responsible way. Obviously, making sure that working with our, with our accounts to make sure people are of

age, drinking responsibly, not over serving, excetera. So we do a lot of events, we do an event in the spring, Michigan Spirits, Pure Spirits Event, we do a lot of events to help promote responsible drinking.

E Ed Clemente 10:33

And I'm going to shift over to Jamie now a little bit, why don't you explain, first of all, give your first sort of like your quick speech of what the Detroit Distillery is. I think you're located in the Eastern Market, right?

J Jamie Wright 10:50

Yeah. That's one of our locations.

E Ed Clemente 10:52

Okay, yeah, I've been to the one to Eastern Market, I should say. So why don't you explain a little bit what, how you know what you guys are all about?

J Jamie Wright 10:59

Awesome, yeah. So we've been around now, it'll be eight years in September. And we started out in the tasting room that you were talking about in the Eastern Market. It was always really important to the guys, we've got eight different partners, but we've got two that are actually active every day, JP Jerome, who's our Master Distiller and Michael Forsyth, who is our creative marketing, everything else, basically guy. And it was really important to them to be located in the city, because they knew that by doing that, they were going to have to hold themselves to a seriously high standard. So when they were able to secure the spot, the tasting room on Riopelle Street in Eastern Market, they were ready to run. And they saw within a year that it was working, and it was working well. So they started looking for a larger space where they could have a larger still. Our first tasting room only had a 50 gallon copper pot still. So it would take over a week to distill just one barrel of whiskey. And with the demand that wasn't going to do it. So they ended up finding right across Gratiot at Maple is the old Stroz Ice Cream Factory. So they closed the deal on that in 2017 opened it in 2018, and that is our official whiskey factory where our 500 gallon copper pot still stands.

E Ed Clemente 12:30

Why don't you mention just a few of the products real quick because I don't know everything you make there, so go ahead.

J Jamie Wright 12:37

And you know, you represent, I guess on the MSA board, all sorts of distilleries, right? I assume.

So what does that mean? Like what makes you unique? Because I know distilleries is sort of a sort of a recent phenomena somewhat in Michigan like last 10 years, but I mean it's really grown. So what do you what do you find commonality? You know, do you guys all talk to each other? Like all the distilleries Do you know each other? Well, what's great is our lineup is actually not as expansive as a lot of other brands because we don't believe in doing a lot of things good, we believe in doing a few things really great. And the first one, the best one that we do, is our Butcher's Cut Bourbon. It's award winning, just over two years old, it's a high rye bourbon so at 68% Corn 27% Rye 5% toasted barley malt, there's that CSS and me coming out. It really just stood for spirit nerd. So we have our Butchers Cut Bourbon, we also just released our Four Grain Bourbon last October, and our Homegrown Rye Whiskey. And actually all three of those are San Francisco World Spirits Competition Winners, so we're really excited about that. The Butcher's Cut Bourbon and the Homegrown Rye both won double gold and the Homegrown just brought home gold. I'm sorry, the Four Grain Bourbon just brought home gold. We all really do actually know each other. Mostly because we all worked as distributors together and we all came up together. And I'm great friends with Kim from Coppercraft or Sarah from Valentine. I helped launch Two James Whiskey when it opened up. So there's never been a sense of a feeling competition. I always say rising tide raises all ships. So as long as the Michigan category is growing, we're all going to be growing. Traverse City Whiskey Company is on fire, Iron Fish, Mammoth, great friends with the guy at Mammoth. He actually put me up in his Air BnB one time when I was up north doing some work in the field out there. So we really don't have a sense of competition. And we all produce great spirits. So we definitely have that in common.

E

Ed Clemente 14:58

Yeah, why don't you mentioned just to give a little of geography of the state. I mean, Iron Fish. I've been by it, is that Manistee? I can't remember where it is.

J

Jamie Wright 15:06

Iron Fish? Yeah. Yep, it's up near Manistee. Coppercraft is is I believe in Holland, Valentine is in Ferndale, Two James is downtown with us. Two James was actually the first distillery, we were the second in the city.

A

Announcer 15:23

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E

Ed Clemente 15:38

What about buying local product, I mean, I think you mentioned to me in a pre-call that you guys tried to purchase local Michigan grown products at times if you can.



J Jamie Wright 15:47

Yeah. So that's one thing that's really really, really important to us and actually kind of sets us apart from some of the other Michigan [distillers.] Is we just we really strive to use 100% Michigan products. We use all Michigan grain. Our grains are milled in Dexter at Dexter Mill. We work with farmers all across the state for all different types of materials. We have our corks are made up in the Thumb. Even our botanicals for our gins, which are incredible, come from our neighbors right in Eastern Market. We're right next door to Germanic. And basically, if it's available in Michigan, and it's grown or produced in Michigan, that's what we're going to use.

E Ed Clemente 16:30

This question is going to be for both you but I'm gonna start with Jamie first anyway. But what sort of trends do you see as you move further on into the you know, do you see any? What is the future you think of distilleries, or what do you think? And same question, are you in a second Conrad.

J Jamie Wright 16:45

Well, I'm definitely obviously everybody has seen the surge, the resurgence of whiskey and bourbon and people really getting back to the roots of what they like to drink and being allowed to drink what they want to drink. And not it doesn't have to be 10 years old anymore. It doesn't have to be limestone water, all these things. People are starting to realize that whiskey' whiskey. So in terms of trends, there's all kinds of things out there, there's different flavors, there's different secondary finishes. Our trend is good whiskey. And that's the trend that we have said we are gonna hang our hat on, instead of trying to find what's the next big flash. We're gonna continue to produce awardwinning bourbon and Rye. And that's, that's our trend.

E Ed Clemente 17:31

Conrad, obviously, you're at a more macro level on a lot of these sort of trends in future challenges all that. What do you see sort of on the horizon for the spirits industry, you know, either globally or Michigan or nationally?

C Conrad Haremza 17:45

Absolutely. And, Ed you know, speaking to Jamie's growth, like we said, first, and in Michigan, you know, we did say we're up to \$22 million, but that is up over \$129 million over the last three years. So our category has seen, you know, large growth. But, you know, one issue, you know, actually the MLCC, we just had a hearing regarding supply chain issues. And, you know, it's, it's really not the liquid, but it's the glass, the caps, and this isn't one supplier, but it's something that we're all experiencing, and manpower and logistics and driving. So, you know, the immediate issue is just still trying to work through supply chain issues, like, you know, many other industries.

E Ed Clemente 18:00

E Ed Clemente 18:33

And, you know, this is a question I sort of ask everybody, so you're both gonna get a chance. But you guys have both been in your careers a long time. And what advice like, if you could go back and talk to your high school selves? You can go first Conrad, but how would you have done things differently? Because, you know, it's such a big issue in Michigan and, Jamie, I hope you texture yours a little bit with how much talent you keep in state because a lot of people come that are like to be near your location, too. So Conrad, why don't you go first?

C Conrad Haremza 19:10

Well, I think my younger self or advice I'd give today, because we are an industry that's continuing to grow and a lot of people want to get in it, it is a fun industry. You know, but I always just, you know, always give the advice of, you know, as far as getting in on the ground level, not being worried what you look at the short term goals. What you're making, or you know, it's what you learn. So, you know, I kind of started that learning a little later. And I'd tell myself, you know, at the beginning, don't don't worry about that first 'where you're moving' position, but, you know, try to get the experience. Volunteer where you can to help with maybe a distributor at a festival or event just to learn more, and the rest will will come your way.

E Ed Clemente 19:56

Yeah, and I would even say you you're demonstrating it, but also leadership. You're, you know, I'm sure it's one of the jobs to be the Chair of the Michigan Spirits Association, sometimes it's probably like, no one else wants to do it and sometimes it's like, you want to do it, but I think it's just great for anybody that's Chair of any organization, it's never easy. Because that's extra time, like you said, your day job is competing with you also helping out an organization, which I think is pretty critical too. Alright, Jamie, what do you think? Because I think you really see more talent probably at your location than other parts of Michigan even right, for people want to be around that culture, right?

J Jamie Wright 20:35

Oh, yeah. Yeah, we're, at every event, anytime we're at the street bar, we always have people coming up to us and saying, you know, are you hiring for anything, we just want to be a part of it. And I always try to explain, like, this isn't where you actually start. I mean, it'd be great if you did, but for the most part, you know, you got to you got to earn your seat. And you got to, to Conrad's point, you got to dig in at the distributor. Best piece of advice I would ever give is allow yourself to be uncomfortable. I look back and there's some things that I never had a chance to do. And not that I couldn't do them now, but it'd be a little bit of a step backward. And I'm like, man, I'm really I really wish I would have rounded out my resume or rounded out my experience. But I sat in my comfort level for a long time. And I would say, continue to work and move on work on yourself and, and grow and learn. Because this industry is not going to be the same tomorrow as it was yesterday. And you got to be able to roll with that.

E Ed Clemente 21:33

Yeah, I know, even in my years at the liquor control, it seemed like it was a different challenge

Yeah, I know, even in my years at the liquor control, it seemed like it was a different challenge like every year for something different, that you couldn't have anticipated. By the way, I should have asked you both this. Did you guys, let's start with you Jamie, but did you grow up in Michigan? Are you where'd you go to high school? Where'd you grow up around here?

J Jamie Wright 21:51

Yeah, I did actually. I grew up in Chesterfield, graduated from L'Anse Creuse North out in Macomb County and was an eastsider for a long time. I moved up to Genesee County for a while, I lived there for almost 10 years. I worked that market, worked all the way up by Saginaw and Bay City. And just about 11 years ago, I moved back home living in Clinton Township now with my two daughters.

E Ed Clemente 22:15

So Jamie, I'm gonna let you finish up, what is your favorite spot in Michigan?

J Jamie Wright 22:20

So I would definitely say in Michigan, we have a very unique opportunity to go 'up north.' I don't think any other state has an 'up north' or a west side the way quite like Michigan does. And my favorite thing to do as much as I can in the summer is get over to that West Side and north a little bit along the Lake Michigan coastline and just go anywhere. Pick a spot. You can go to Ludington you can go to the Silver Lake Sand Dunes. My daughter's absolutely loved it, we did that last summer. Obviously, Michigan's Adventures, they're going to drag me to an amusement park. So, but it's the whole Pure Michigan aspect. So my favorite part of Michigan? It's a really tough question. It's it's definitely just going to have to be that west coast line.

E Ed Clemente 23:13

And Conrad, what do you consider your favorite spot in Michigan or festival or event or what you like to do to?

C Conrad Haremza 23:21

Well, like I said, I did grow up in Port Huron, so I would be remiss if I didn't mention the lakes in the summertime, Tigers opening day's always a good one in. Like I said, from my hometown, the Port Huron to Mackinac Boat Races is a pretty cool event.

E Ed Clemente 23:38

Yeah, that pretty famous, I think even around the United States people come for that race. Well, I think we're gonna end on that note. I want to thank both our guests today, Conrad Haremza, he's the Senior Regional Director at Proximo Spirits in Michigan, Ohio, and West

Virginia. And then also I want to thank Jamie Wright, she's, oh, we forgot to ask, the CSS? What does that mean again? Why don't you explain that just a little too now.

J Jamie Wright 24:08

Yeah, so that is actually a Certified Specialist of Spirits. I had been doing this for about 10 years or so and we had the opportunity to go through this course. We studied for about six months, Great Lakes Wine and Spirits sponsored it for us. So we all had the opportunity to take the test and I took the test and passed, we won't say with what, but pass that my first try so I never have to take it again. And it was a really cool opportunity to really dig into the history, the background and all the workings of every different type of spirit. I learned what made a gin a gin. What made a vodka vodka, a bourbon as opposed to a rye and it's just it's knowledge that I'm gonna be able to use for the rest of my life, unlike algebra so...

E Ed Clemente 24:54

Its a real hands on practical. Otherwise, again, you're the Regional Salesmanager at Detroit City Distillery. Thanks again and we appreciate both of you taking time out of your busy schedules to be here today, and see you next time. Joining us for the next show where we hear Anthony Grafoli, Country Managing Director at Altair. Learn about the multinational information technology company that's in our backyard.

A Announcer 25:24

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