

# *An intimate interview with Kim Jordan*

*Co-Founder & CEO  
New Belgium Brewing Company*

*By  
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*From the award winning book  
50 Interviews: Entrepreneurs*

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*“Let your life speak.”*

**Kim Jordan, New Belgium Brewing Company Inc.**



### **BACKGROUND**

New Belgium Brewing Company Inc. was founded in 1991 by newlyweds Jeff Lebesch and Kim Jordan. What originally began in 1985 as a home brewing hobby for Jeff has evolved into the third largest microbrewery in the United States, employing over 300 people. The core values and beliefs that Kim and Jeff originally built the company on are still in place today and have earned them the highest respect among their 300+ employee-owners. As the recipient of numerous awards – far too many to mention here – New Belgium is often considered the poster child of success and those of us who live in Fort Collins, Colorado are truly fortunate to have them in our backyard.

**KIM JORDAN**

### **INTERVIEW**

**Q:** What was your initial start-up cost and source?

**A:** \$60,000 through a second mortgage on our house, and then we took some pre-approved credit cards for some operating capital along the way and maxed out all of our personal credit cards. That was just to start the business. We had a little money to live on in the bank, but nothing significant. We had credit cards.

**Q:** How long until there was positive cash flow?

**A:** You can have positive cash flow and still have debt, but we actually had cash flowing pretty well within six months of starting the company. We had enough cash flow to be able to begin to think about expansion, build a walk-in cooler and be able to do some of the things we needed to do. However, there was a period before we moved into our second location when we had so little cash flow that we had to borrow some money from my parents to make payroll. And we lived

for about a year off of credit cards.

**Q:** Did you use a business plan?

**A:** Not in the beginning. But we did have a set of values, a purpose, and some outcomes that we wanted to achieve. They were more like guiding principles and objectives. With that said, a lot of work went into the diagrams for how the electricity was going to be wired up and how the tanks were going to be engineered and manufactured. But we had nothing in terms of a traditional business plan.

**Q:** The genesis of the idea?

**A:** Jeff volunteered at Sierra Nevada and took some classes on brewing at UC Davis. He then went to New Albion Brewing, which was really one of the first craft breweries in the US. He had also probably hung around the Boulder Brewing Company once or twice as a home brewer. In 1987 he started winning awards in national home brew competitions with his own beers. Then, in 1989, when Doug, Corky and Wynn opened Odell Brewing Company, we became friends and Jeff thought to himself, "If these guys can do it, then so can we" (Kim noted the highest respect for Doug, Corky and Wynn and this statement is not intended to be demeaning in any way). We just started putting the pieces together to make it happen. It was early in the development of the craft brewing scene, especially in Colorado, so we were able occupy the bottled beer niche that nobody else wanted to be in at that time.

**Q:** What was the vision of New Belgium?

**A:** Before we ever made a bottle of beer we sat down and asked ourselves what we wanted this company to stand for. The

***"It's just following your instincts, knowing the basics and sticking with what's important."***

four things that were important to us then were to produce world class Belgium style beers, to promote beer culture, to be environmental stewards and to have fun. That was in the spring of 1991 and we started selling beer in June of 1991.

## SECRETS TO THRIVING IN UNCERTAIN TIMES

By 1995, as we got more customers and coworkers, we expanded our vision to take their needs into account. We combined open book management, employee ownership (our coworkers own 32% of the company), and a high-involvement culture. Our coworkers get to see all of our financials. They see all of our branding and sales plans. They see all of our CapEx plans, our hiring plans, our budgets, and our strategy – and they participate in developing them. Once you get everyone knowing where true North is, it frees people from uncertainty and allows them to do the more creative work. That way, powerful ideas come from all across the company: big ideas, little ideas, money saving ideas, and culture-building ideas. I think most people here would tell you they feel like their contribution matters and that is huge in and of itself. People want to feel that what they do matters.

**Q:** What is the passion that it fills for you personally?

**A:** I've been genuinely surprised and delighted to discover how much change you can make in business. There are some good reasons for people to be suspicious of profit motives and big corporate entities – especially given the recent AIG management news about their unwillingness to return taxpayer funded bonuses. But at the same time, you can do really powerful good work with profits. For us, that means talking about the big things that we want to do, the kind of things that get people on the edge of their seats, and being business role models. How can we change the industry we're in? How can we do things that will make both a splash and a ripple? How can we make an impact on the world that satisfies our internal sense of what's right? For example, we are doing a life cycle analysis of a six pack of Fat Tire. We're identifying where we can make changes both upstream and downstream in order to impact the environment and create a more sustainable industry.

***“My biggest reward has been coming to understand how powerful we can be.”***

**Q:** Where do you see yourself & your company in 10 years?

**A:** We're really looking at whether growth is a matter of putting more barrels on the board or if growth is more about promoting our core values and beliefs, like love and excellence, and being role models for other businesses. And I would say we've come down more on the latter than the former. We're looking at developing relationships with smaller craft brewers around the US. The goal is to put together a network of brewers that can brew for one another so as to reduce our carbon footprint, be more local, and have hubs of smaller, more creative breweries. That's what I see New Belgium doing.

For me, I think I will probably continue to be involved ten years from now, at some level in the company. I might have moved into a chair role by then, as opposed to CEO. I'm cognizant of the fact that this has been an incredible gift and we're involved in a craft – so I want to remain a part of that. Of course, you never know where you will be. When the company was very young, Jeff was doing an interview with someone and he said, "Well, we've got this worked out where if we can make and sell 60 cases a week, then I think we can do this." We have that interview hanging up on a wall because we're so clearly past 60 cases a week.

**Q:** Biggest challenges? Looking back now, is there anything you wish you had done differently? What do you know now that you wish you'd known sooner?

**A:** It was originally a challenge to figure out how to provide enough opportunities for our fellow coworkers. We thought "Gosh, we have all of these dedicated and talented people – and if we don't grow then they won't have any opportunity and all of us are going to sit in the same chairs." It would have felt very stagnant. Growth by itself was never compelling. But that attitude all flipped when we started to see the opportunity for our coworkers.

In general, I don't know that there's anything I would have done differently because I think everything you do adds to

both the mistakes and the successes – and you can't foresee either. When you're self-taught you think maybe there are experts out there who know a lot more than you know, and then you start to meet some of those people and you're not so sure. A lot of this is not some kind of mad intelligence. It's just following your instincts, knowing the basics and sticking with what's important.

**Q:** Biggest rewards, what aspects of ownership have been the most rewarding and have there been any unexpected rewards?

**A:** My biggest reward has been coming to understand how powerful we can be. As far as unexpected rewards go, I still have 'pinch me' moments. I walk in the front door on a Thursday afternoon and I just really can't believe this is our brewery. Being in this industry is a gift because people are so interested in what we're doing, and I don't want to squander it because I think the work is powerful and I want to spread that out in a smaller way. Another reward is watching our people grow into positions of more responsibility. I'm five to fifteen years older than most of my coworkers. Watching them get married, have children, grow into their professional life, and grow into their community involvement is both really rewarding and really fun.

**Q:** Are there one or two things you can attribute your success to? Was it luck, timing, someone who helped you, etc.?

**A:** I think luck and timing are always important, and working hard and being dedicated or committed to an outcome is key. That's how you get lucky: you have good timing and you work hard at it. At the time we put our vision together, we didn't realize that it was going to be as fundamental to who we are as it has been. That vision has been central to the choices we've made and to our success.

**Q:** How do you attract and retain the best employees? What is the most important attribute you look for, and your thoughts on the employee ownership model?

**A:** The most important attributes we look for are enthusiasm and dedication, which are slightly different but go hand in hand. I also think it is important to hire people who are drawn to a commitment to community. We want the generally good people, who are decent human beings. But you can be all of those things and if you're still sitting on a couch all day, then none of those attributes are going to help. There has to be execution. We get a lot of things done around here.

**Q:** Any recommended training & resources? Books, classes, websites, etc..? Do you recommend an MBA for an entrepreneur?

**A:** We don't look for people with MBA's when we hiring. It is important to have the ability to read financial statements, understand ratios, and have a good overview of general HR legal policy – but you can learn all those things on the web or you can hire people to do them.

For books, *Beyond Entrepreneurship*, by Jim Collins, has helped us create a framework for our vision. *The Great Game of Business*, by Jack Stack, which is a book about open book management, is another good one. *The Leaders Handbook*, by Peter Scholtes, incorporates a lot of Dr Deming's thinking. It's about how to make sure that the systems and the communications you have are getting the results you want. The classic *One Minute Manager*, by Blanchard and Johnson, is helpful in knowing how to deal with what's going on quickly. We don't waste a lot of time.

I have also used business coaches and I'm sure I will use one again. Mastermind groups would probably be worth doing, but right now I feel like I'm so busy with other things that I'm more interested in one-on-one coaching.

**Q:** Slogan to live by or what it might say on your tombstone?

**A:** "We are right where we're supposed to be" – and when you think about that in terms of putting it on your tombstone, it's

kind of amusing. I am also very fond of George Fox's saying, "Let your life speak."

**Q:** Is there anything else you want to share to an aspiring entrepreneur?

**A:** I think it's important to love what you do. It is not unusual to work 15 hours a day at the beginning of any entrepreneurial venture. And if you don't love what you're doing, spending 15 hours a day doing it is very difficult to sustain for any length of time. It's not unlike raising a baby. In that early period, it takes a lot of dedication and nurturing, which is the equivalent of work. But, in anything you do, it is particularly satisfying when you figure out what feeds your soul and get that into the mix.

Eventually, babies move into childhood, get older, go to school and they begin to take less and less of your time. The same natural progression applies to a business. If you're still having dinner table conversations about work most nights and your business is older than five years old, then I'd say you haven't figured out how to balance those things.

**KIM JORDAN**

(Authors Note: A couple weeks after my interview with Kim, I ran into her at the airport, in one of the last places I would have ever expected: the shuttle bus from the \$5 per day lot. I was shocked to see the CEO of a multi-million dollar company riding the bus from the cheapest lot in the airport. Nobody would have ever known that she parked there, to save money for New Belgium, and it struck me: it's what you do when people aren't watching that makes all the difference. Needless to say, I hold the highest regards for Kim Jordan and the New Belgium family. Oh, and in spite of being someone she had met only once, she remembered my name.)