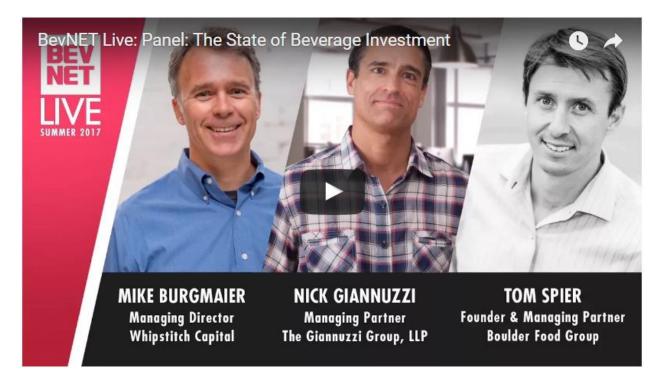
Video: The State of Beverage Investment



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Following another year of significant investment and acquisition activity in the beverage industry, BevNET invited three individuals — Mike Burgmaier, managing director at Whipstitch Capital, Nick Giannuzzi, managing partner at law firm The Giannuzzi Group, and Tim Spier, founder and managing partner at Boulder Food Group — with deep experience working in different roles within that space for a panel discussion on the state of beverage investment last week at BevNET Live Summer 2017.

While emphasizing that the quality and specific nature of investment opportunities in beverage varies on a case-by-case basis, the panel agreed that the timing of deals is an increasingly critical factor for both brands and investors. Burgmaier and Spier noted that deals are being made at an earlier stage than in previous years, and that rapidly changing competitive dynamics in the marketplace means opportunities can quickly open and close.

"We've seen companies that grew 50 percent, but were worth less after that growth than if they had sold 12 months prior" because of those shifting dynamics, said Burgmaier.

Spier added that the influx of deep-pocketed investors from Silicon Valley has increased the amount of money flowing downstream, underscoring the importance of making bets based on sound research and understanding of market forces.

"It can be a pretty tight window before a deal is moved beyond us," Spier said.

For entrepreneurs, Giannuzzi said that the current high demand from investors can be a double-edged sword, noting, "For small brands, there's a lot of dumb money out there, and dumb money can be very good for you."

Giannuzzi explained that in some cases, that may mean younger brands can take on funding from investors on simple terms without ceding significant control over or rights to their companies. But for others who are seeking more guidance, it can be harder to find well-qualified investors with deeper experience in scaling brands in the space.

For the complete discussion, including insights from the panel on growth strategy, the impact of e-commerce, and how entrepreneurs can evaluate the suitability of potential investors, watch the full video above.

https://www.bevnet.com/news/2017/video-state-beverage-investment