

BRINGING CRAFT BREWING TO THE HIMALAYAS

The flight into Paro Airport requires pilots to bank right and left and right again, weaving graceful S-shaped curves between peaks of the Lesser Himalayas as they descend, giving passengers views of mountainside homes that can be both beautiful and unsettlingly close.

This is the only international airport in the tiny Asian kingdom of Bhutan, and aviation experts consider it one of the world's most challenging. After that experience, the challenges of planning and building Bhutan's first modern craft brewery no longer seemed quite so daunting.

Nestled between India and China, this Buddhist kingdom has experienced some of the most rapid change of any of the world's developing nations over the last twenty years. Essentially closed off to the world until King Jigme Singye Wangchuck began a program of modernization, Bhutan lacked both television and internet access until those bans were lifted in 1999. In the capital, Thimphu, the traditional and the modern often live side by side.

A retired former government official, Dasho Karma Dorji, hired First Key Consulting to develop the marketing plan and manage the construction of a craft brewery twelve kilometers outside Thimphu, on a beautiful forested hillside along a popular tourist road. The idea started with his eldest son, Karma Choeda, who had developed a taste for American craft beer during his graduate studies in the U.S. Dasho Karma embraced the idea and began planning to bring the craft beer experience to Bhutan.

"One of the first things we wanted to do when starting the craft brewery project was to engage a good international consulting firm that could provide overall technical guidance and support," said Dasho Karma. "We felt confident in First Key's reputation, expertise, and talented professionals to help us in our project."

In Bhutanese culture a newborn child's name is chosen by a spiritual teacher, and likewise Dasho Karma sought counseling from a spiritual teacher to name the brewery. His choice: Ser Bhum, which translates as Golden Vase, and is one of the eight lucky signs of Bhutan.



Alcohol has a prominent historical role in Bhutan. As in many other cultures, alcohol is associated with hospitality and bonding. And thanks to rapidly increasing disposable income, commercial whiskey and beer have been taking considerable market share from cheaper homebrew. Sales of all types of commercial alcohol quintupled between 2006 and 2010.

While the economy has been surging, the Bhutanese middle class is still relatively small. A government survey published in 2012 found that one in five urban Bhutanese considered themselves “not poor.” In the highest income quintile, almost three quarters of households have refrigerators. However, there is no data available on what might be the most important consumer segmentation variable: the proportion of people who are open to new experiences. Yet these are the people to whom Ser Bhum craft beers would have to appeal.

There would be other cultural challenges. Alcohol is often seen as more appropriate for people who perform manual labor than for those who work with their minds. In addition, beer – even imported beer, which accounts for half the market – is generally seen as less sophisticated than both whiskey and wine. The domestic beer market is dominated by a single brand from a single large player – a 9% ABV version of a fairly standard European-style lager, widely associated with intoxication. Thus, Bhutanese drinkers have had virtually no exposure to the idea that a beer can be sophisticated, or that a beer with even modestly higher alcohol content could have a purpose other than intoxication.

Drinking alcohol had been historically associated with relaxation, but modernization has made its impact felt here as well. A whole new class of on-premise establishments has emerged in recent years: drayangs, which are something of a cross between a Western-style dance club and a karaoke bar, and which draw high-energy social gatherings.

In this stew of existing and emerging alcohol imagery, Ser Bhum’s beers would have to find their niche.



From the beginning Ser Bhumi's mission and motto has been "Simply Craft, Celebrate Bhutan." The first part, "Simply Craft," stems from the desire and passion to create a genuinely Bhutanese, high quality, flavorful craft beer that all Bhutanese and visitors can enjoy. The second part, "Celebrate Bhutan," is rooted in the desire to participate in the remarkable developmental journey Bhutan has undergone and its emergence as a progressive nation "under the benevolent and wise leadership of the Bhutanese monarchs." "Celebrate Bhutan" ultimately pays tribute to "the extraordinary leadership which the Kings of Bhutan continue to provide."

Still, a slogan is not a strategy.

In a market still largely segmented by alcohol content, the open territory soon revealed itself: a sophisticated beverage with less alcohol than competitors such as whiskey and wine (but slightly more than imported beers).

Because price is an indicator of quality, Ser Bhumi craft beers would be the highest priced on the market, if only by a small margin. The temptation to broaden the consumer target by offering a more competitive price would have to be resisted, because it came with a risk of commodifying the beer. Off-premise distribution would be focused on those stores, bars, and restaurants that present beer in a high quality way, which are still in the minority in a country where store shelves are often in disarray and aisles can feature product in half-opened cardboard shipping boxes. On-premise distribution would avoid the fast-paced drayangs, which likewise could work against a quality, "sipping beer" image.

But the brewery itself, located on the beautiful traveler's road, would be Ser Bhumi's primary vehicle for communicating its position and its quality. While the road is frequented by tourists, the website and the packaging copy would encourage Bhutanese themselves to visit the brewery and tasting room, where they could discover the romance of brewing in general and Ser Bhumi craft beers in particular.

This tremendous asset also inspired the last refinements of the brand positioning. Travel and exploration have often been used as a metaphor for new experiences, and so much like the brewery itself, Ser Bhumi craft beers would represent a welcoming "oasis on the road of life."

Similarly, the Ser Bhumi logo portrays an image of a Golden Vase presented as an opulent serving vessel with a hint of foam at the top, suggesting a bountiful source of craft beer suitable for sharing with all, and therefore demonstrating the brewery's hospitable nature.

Of course, at this point the brewery existed only in the mind's eye, and its role in building the brand would be a moot point if it failed to live up to expectations. Designing and building a first-rate brewing facility was the second and most important part of First Key's assignment.



This was Dasho Karma's first foray into the world of craft brewing and he very much wanted to make sure the brewery would be built right the first time. For Ser Bhum the desire to make the highest quality beers is always the top priority. Even before construction had started the Ser Bhum team had recruited and relocated a head brewer that had previously worked at one of the premier craft breweries in the United States.

There were a number of challenges that came hand-in-hand with the design and construction of the brewery itself, from the relatively straightforward but important tasks such as connecting electricity and internet to the more complex projects such as establishing the wholly international raw material supply chain.

The good news was the water supply: a spring flowing right past the site turned offered highly drinkable water with a low mineral content, a blank slate on which the brewers would be able to script a water profile for any style they chose.

First Key worked in conjunction with the brewery team to develop a brewery layout based on the expected sales volume projections and packaging format while dealing with a number of constraints.

Kegged beer is unknown in Bhutan, and Ser Bhum plans to introduce the draft experience to the country. This would, of course, require a building design and layout with room for a keg machine in addition to the canning line. (Cans are Ser Bhum's package of choice, as the Bhutanese associate these with higher quality than bottled beer.)

And yet the brewery site itself is small, essentially a flat shelf in a hilly area, and the building would have to be tailored to fit. In addition, Bhutan's government requires all buildings to incorporate traditional design elements. First Key's design addressed both of these with a compact, efficient structure topped by a traditional Bhutanese roof.

One of the main risks of building a brewery in a location as remote as Bhutan is long shipping times. Utility and supporting equipment could be sourced from neighboring India or further abroad, but brewing and packaging equipment would be sourced from reputable North American suppliers, again as the best way to ensure the equipment would be high quality.

While arriving in Bhutan via plane can be a harrowing experience, it's nothing compared to the adventure of transporting people, brewing equipment, and raw materials via land. Cut off in most directions by the Himalayas, the Thimphu region is accessible by only one route, a narrow, sporadically maintained road that requires five hours of mountain-hugging twists and turns to make the journey from the Indian border. When two vehicles traveling from opposite directions encounter one another, both must slow to a crawl while they work their way past, the outside tires often just inches from unprotected drop-offs of hundreds of feet or more. If this isn't nerve-wracking enough, fog rolls in with clocklike regularity around noon each day.

This would create particular problems if any equipment were to arrive with a small but critical component missing, because this would mean a two-week delay while the component was air-freighted into the brewery. To mitigate this risk, all the shipping packing lists were thoroughly reviewed and any missing components were highlighted before any of the equipment was installed. And in fact it was more of a challenge than anticipated to ensure each of these items was fit for the purpose and met all the required specifications. For instance, while the steam boiler supplied by an Indian company was in line with the required specifications, the steam pressure reducing station was incorrectly designed and limited the steam supply to less than 5% of what was required.



Construction of the brewery is now complete. The Ser Bhum team's energy and enthusiasm has never flagged during the setbacks and delays, and soon their patience will be rewarded. The building complements its idyllic setting perfectly. As planned from the beginning, the tasting room offers a view of the brewing vessels through a large glass wall, the better to inspire patrons with the romance of brewing. The patio overlooks an archery range, where people can enjoy Bhutan's national sport, whether as participants or observers.

Starting a new brewing company anywhere in the world poses its own unique challenges. However, with the right team in place nothing is insurmountable. "First Key has played a key role in our craft brewery project by providing technical support and guidance in all aspects," Dasho Karma . "Without their support, we would not be where we are at this stage." Ser Bhum aims to introduce its craft beers to the Bhutanese people by winter of 2016.

And every can or glass of Ser Bhum craft beer, no matter where it's enjoyed, will embody the spirit of the brewery on the traveler's road: a welcoming oasis on the road of life. Simply Craft. Celebrate Bhutan.



Design, Procure, Build, Commission
