

How controversial beer firm BrewDog became so popular

By Will Smale Business reporter, BBC News



When the founders of popular but controversial beer company BrewDog needed a second bank loan to enable them to expand production, their tactic was a simple one - lie through their teeth.

It was back in 2008, and James Watt and Martin Dickie's then tiny brewery at Fraserburgh, north-east Scotland, was little over a year old and struggling.

Selling their US-style craft beers from the back of their van at farmers' markets, they were missing payments on their £20,000 (\$30,000) bank loan.

And then they decided to enter a bottled beer competition organised by supermarket group Tesco. BrewDog won first, second, third, and fourth place.

"So we went down to Tesco's headquarters, and they told us they loved our beer and wanted to put us in 500 shops, buying 2,000 cases a week," says Mr Watt.

With Tesco wanting first deliveries in four months' time, Mr Watt and Mr Dickie, went to their bank to ask for another £150,000, so they could quickly install a bottling line, and expand production. [...]

But failing to meet the payments on their existing loan, the bank said a firm "no".

So the business partners went to another lender, and lied.

Mr Watt says: "We said that our bank had offered us an amazing deal, but that if you can match it we'll switch, and they went for it. You have got to do what you have to do." [...]

The beer was an immediate hit, and the other UK supermarkets soon followed suit.

Fast forward to 2014, and BrewDog is due to see its turnover top £32m this year.

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