

Transcript of Interview with Stanton Webster

Interviewee: Stanton Webster

Interviewer: Hilary Blum

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Abstract: An oral history interview with Stanton Webster who discusses his background opening a distillery in Knoxville, Tennessee before the pandemic. He discusses how his business reacted to the COVID-19 Pandemic and his efforts to keep employees paid while finding new revenue streams. In this business-focused interview he also illustrated how a small group of local business banded together to navigate the pandemic and government funding pitfalls. He also discusses family life and changing roles in the home.

Hilary Blum 00:02

My name is Hilary Blum. I am an oral historian and researcher for the COVID-19 Oral History Project. Today is May 18, 2020. And I am here with Stanton Webster via Zoom. Stanton, would you mind introducing yourself so I can get started.

Stanton Webster 00:17

Hello, I'm Stanton Webster. I live in Knoxville, Tennessee and have a distillery called Postmodern Spirits.

Hilary Blum 00:25

Fantastic. Thank you. Can you explain how you got into the distillery business?

Stanton Webster 00:30

Yeah, so I moved to East Tennessee to Knoxville from a grew up in Nashville outside of Nashville on a rural area on a farm and raise beef cattle, tobacco fun things like that. And yeah, moved to Knoxville in the early 90s to go to college and pursued an animal science degree. And from there, had a had a scholarship on the campus and did that for about four years and then started working in bars and restaurants for several years. And while doing that, I also went back to college and got...worked on a degree in classical civilizations. Where I was doing some archaeology work in Greece and things like that. Lived in Greece for a while and met my met my wife we own a home in Knoxville and went from running bars and restaurants to kind of thinking about things I wanted to do on my own and...toyed with restaurants for a while, but eventually settled on the notion of doing a distillery it was kind of coincided with a time in in Tennessee when even though prohibition had ended on the consumption of alcohol in

Tennessee, many, many decades ago, there was still a prohibition on the manufacture of alcohol in the state of Tennessee. Unless you were Jack Daniels or George Dickel. And then about 20 years ago, they opened it up and led another distillery called Pritchard's start making alcohol. And about 10 years ago then there was a big push, eight to 10 years ago, there's a big push from some of from some folks in the state to allow more distilleries across the state of Tennessee allow for some craft distilleries, small distilleries. And so that's where that's kind of where we fit in. I started a distillery about six years ago. In 2014, we got I got another distillery opened with some other partners. There were 11 partners in that myself and one other partner were the two that kind of did the legwork. Everything from the Federal license licensing, state licensing, local licensing, production, sales, all you know all that fun stuff, got it open, ran it for almost two years and then sold to our other partners. And the bug hadn't left. We still we really enjoyed the work. And one partner and I, from that previous distillery decided we would do it again with a little different focus this time, and we opened Postmodern Spirits. And we're at almost, we're coming up on our three-year anniversary. June will be our third year for Postmodern Spirits to have been in business.

Hilary Blum 03:39

Wow, that's fantastic.

Stanton Webster 03:42

And some strange times we've endured some, some very interesting...interesting times since we've opened from major, major infrastructure work in the city. The municipality replaced a lot of the replaced a lot of the water mains throughout the city was aging infrastructure for water mains. So, they replaced, replaced 100-year-old pipes all around us. So that was we had that going on for about six to 10 months. And then in September, they pulled the roll road out from in front of us to replace it. It was, again about 100-year-old infrastructure there that needed to be updated and be repaired. And that is set to reopen in September. And then you know, we're kind of in the current situation, now.

Hilary Blum 04:42

Yeah. Last time I stopped by there the road in front of me was really torn up.

Stanton Webster 04:47

Yes, yeah. Yep. Still is, still is. So, you know, it's different challenges and you're going to face that. You know, one of the things that I've learned, run and businesses in the downtown area of Knoxville for about 20 years now, is that you're constantly going to face challenges by your location. And I mean, you kind of sign up for it. If you're in a rural area, maybe you don't have the foot traffic that you would in in a more densely populated area. We are in the downtown area of Knoxville for our distillery, it's called the Old City. It's right along the railroad track. It's one of the rail lines that would bring people into Knoxville. And that was kind of the one of the draws to us. It was a very historic area. It was an area that was known for late night entertainment, this restaurant bar saloons, that whole kind of thing. So...yea

Hilary Blum 05:43

Awesome. Um, we spoke about some, you know, the most recent challenge that we got ourselves in. Can you? Can you explain how you first learned about COVID-19? And...

Stanton Webster 05:57

Certainly, certainly,

Hilary Blum 05:59

...thoughts at the time.

Stanton Webster 06:00

Yeah, I mean, you know, we'd heard some little things here and there on the news with it. We, we were kind of like everyone else. It was something that seemed to be starting and focused further away, you know, in China. And so where we really kind of picked up on it. I was on the road for a sales trip. And it was early March. And there had been some tornadoes that came through Middle Tennessee. And my my family farms still in Middle Tennessee. And so there's been a lot of damage, we...I was in Nashville. The week after the tornadoes, doing a little bit of volunteer work was supposed to be a sales trip. But that was kind of pushed to the backburner with all the destruction and damage. And so, it really became more like, visit friends take, care of people, check in on people, that kind of thing. And so, one of my friends there has a restaurant in East Nashville called the Peninsula. And he is from Craig is from Seattle originally. And this was, you know, like, march like nine to 12, somewhere in there. And at that point, Seattle was really starting to get hit with some with some issues. They were having cases really quickly on the rise. And we were, we were seeing some they were seeing rather, some restaurant closures. They were starting social distancing. And in the span of just a couple days and seen he'd seen about 30 friends have to close the restaurants. So, he very quickly then... he was telling me this while I'm sitting at his restaurant, and he was just like, hey, "this is this Coronavirus. It's serious, it's coming our way, you know, make sure you're aware." And so I hadn't, you know, I really hadn't seen anything like that. hadn't really even thought about it. And so that was kind of where we were we clued in on it and kind of got us going with, with the whole notion of well, what are we going to do? What we need to be prepared, we need to get prepared, we need to get ahead of the curve. So, if that's even possible, so I started making calls that night, actually from the bar and emails and fun things like that. And so this was probably a week before, you know, Knoxville was still about a week behind on having a robust conversation with this. And so talk to landlords, talk to vendors, talk to business partners, banks, everybody. And, and it took a little while for wheels to start turning but by, you know, the start of the third week of March. That's kind of when things were really moving forward in Knoxville and people really starting to take it seriously. And it was starting to see some of the early cases in Nashville, some things like that. So, from there in Knoxville, we were part of a group of businesspeople in downtown that formed a group the kind of Knoxville downtown restaurant retail. We all pulled together and held some meetings and just tried to figure out you know, what are best best path paths forward, things like that, you know, now we're around the 16th to the 20th of March, the local you know, talking to the local mayors and things like that

and it became obvious we were going to have to take some pretty, pretty intense steps to get to get through this...to get by it and so and to, you know, manage, manage the public health aspect of it. And so, you know, as a small business owner, you, you always want people to be healthy, whether it's your employees, the general public, you know, that's kind of, that's one of the givens. The other side, you wear that hat, where you're taking care of your employees, not just in that physical sense and health sense, but you have the financial sense as well. And so, a lot of small business owners take the role of, you know, it's almost like being a parent, to your employees. And so, you feel that, that financial burden, that you want to take care of them. And so, what we saw surrounding us were a lot of businesses that wanted to stay open, to try to provide that financial side...financial relief for their employees. For us, we kind of did some quick, you know, we because we'd had some build up time to it, we kind of realized where our cash was, and where it was going to run out. So, we kept everybody on board for as long as we could, and we kind of said, "Hey, this is going to be the date where we have to cut off employment where, you know, we're going to have to lay people off, because we're going to have to close this down." You know, we can't have guests coming in to drink, our tasting room is very much patterned after, like a small cocktail bar, in a lot of ways. And so, it just didn't make a lot of sense for us to be to be serving cocktails like that. At the same time, then we're we started applying for it, you know, the first thing to come out were idle loans, with the SBA Small Business Administration. And so it was from there that it was the triple fee loans. And so by that point, we had started getting super savvy on our end with our business and looking for revenue streams. The Triple P allowed us to bring employees back, and then we found some other work, where we could actually hire some other people as well. And so we ended up with, with hiring a couple extra folks as well. So...

Hilary Blum 12:08

Fantastic.

Stanton Webster 12:09

So yeah, it was a little different, a little different than it was, you know, just trying to try to be resilient, trying to keep as many people working as we can and as safely as possible, you know, following the local guidelines. And so kind of looking at what we do in a couple of different ways, and what what are some things we can do that are more safe? And don't put our employees in customer-facing roles? So that's kind of where we are.

Hilary Blum 12:45

You mentioned that you collaborated with some other business leaders downtown, how has that collaboration gone? Are you making decisions, like in conjunction with each other?

Stanton Webster 12:59

We are. we are...we. So, we did a...we did a Facebook group initially. And we utilize that to maintain some communication that started with a group of about 20 to 25 businesses, it's grown now to be about 60...businesses all in all. And it was very impactful on the...when we were getting started. Because no

one knew really anything, we had very little guidance. We knew we needed help, you know, we can see that, hey, here's this problem. And the problem is a global pandemic. So this is a problem that's bigger than our local economy. It's bigger than our state economy. It's bigger than our national economy. We need help. What are the ways we get that help? Who do we contact? How do we contact? What do we get going? And so part of that initial group was to come together and see who knows who. And let's all get out there and talk and what...what is it that we need? What makes the most sense from getting started and going, you know, what, what would help the business's most and so. Yeah, and it just kind of felt good to know that there were other people that you were talking to and that you could talk to...that we're all in the same boat together. And so then we started from there, and we have access to some accountants and other kind of other intelligent people I would say. And as in these were all kind of downtown Knoxville, so kind of Center City. Businesses that were predominantly independently owned a So there were small, typically small businesses with independent owners, and on the front end of that, like, say, mid-March to like the 20th of March these were kind of the only businesses that seemed to be taking this responsibly in Knoxville. It seemed like the larger kind of corporate own folks weren't responding at all. And we're just it was kind of business as usual, moving forward, just kind of pretending like they didn't see it. And it was the small, independently owned businesses that were in our downtown that really take it serious. And were like, "Hey, we got to think about employees...think about employee safety, think about our personal safety, think about the customer safety," all those different aspects. And then after we worked through all that, then it was like, and now you know, we need to look at where are we financially with our businesses, that was kind of that would have been pushed a little further back in the metrics. So, yeah, it was, I think, on the front end, it was almost like having therapy sessions for a lot of people. It was where you can go to find some sanity. And there were several of us that had taken a lot of time to do a lot of research on it. And as things started to come out, whether it was the especially with bars and restaurants. You know, there was some guidance from the state and from the governor of Tennessee about changing some different rules to allow for different things to happen. Once businesses started closing down, then they started allowing restaurants to do...some to go alcohol sales, some to go food sales and different things like that. So, there was there was a constant...there was a constant kind of changing playing field that we had to stay on top of. And from there, it was just trying to make sure we communicated, or that people maybe didn't know where to go to look for those things, that we can communicate correct answers as quickly as we could to people. So, that was kind of that whole group, really, for March and most of April, played a very important role communicating all those things.

Hilary Blum 17:33

You mentioned some some finding resources and government direction. Can you talk about how federal, state, and local actions or inactions have affected your business and or, you know, downtown Knoxville more broadly?

Stanton Webster 17:53

Yeah. So, I think that's been one of the big learning things, disappointing things is that we don't, that we didn't have disappointment on the front end was that there wasn't a strong federal plan in place, or state or local. For when we say, hey, there's a national disaster. You know, there is this thing that's bigger than whatever level you're at. And so, when they announced a national disaster, it...nothing really happened. You know, it didn't. So, it felt like there's some, you know, as citizens now, coming out of this, I hope to take home is that we focus on getting some of those things worked out. So, when we say national disaster, that means immediately the SBA says, "Hey, we've got these three programs in place for small businesses," you know, Department of Revenue, whether it's the state or some other entity, says, "Okay, let's, you know, let's forego paying in sales tax or payroll taxes, or, you know, businesses hold your cash this way. You know, we're still accruing these things, but you'll pay it when we work it all out." And so there just wasn't any on the front end. It didn't seem like there was any plans. So that was disappointing. We got through that. And then that seemed like very quickly, they tried to get some they call them the IDL loans. Yeah, IDL. With small business, we applied immediately for those and I just got an email back two nights ago at like, 3:45am. But I needed to put some more information in to get into the portal for that and I just laughed, it was like, "well, it's, you know, like, Y'all, I got my plan together. Now. I don't, you know, too little too late on that one." So, then the Triple P came through, I think, look. So, staying on the federal side, then, you know, kind of Congress with the Cares Act and the Triple P, the paycheck protection program. You know, it was very confusing on the front end for a lot of people, because there wasn't a ton of detail there. The government kept it very kind of very light on the Oversight and the explanations. And so, they very quickly turned it over to the private banks. In the issues that we see, now, I think, coming out of the Triple P, with where initially, we had a bunch of big, you know, bigger businesses that got a lot of money, we saw different industries getting a lot of money that maybe weren't hurt as bad. And you know, construction got the most money out of the first batch of Triple P. But construction was still going full, full bore, you know, they weren't having layoffs in their industry, they were hiring more people. So, it's a little strange. Some of the things, some of the businesses that were having trouble weren't able to get those loans. And the whole reason was because it got turned over to private banks. You know, there probably wasn't enough federal oversight on that on the front end. And it was left too much up to the private market. And what we saw what it was, was big banks, it was, you know, big national lenders, global banks that were kind of performing as bad actors in a lot of ways. That weren't very, there were some specifics that were written into, you know, first in first out for the loans with Triple P, and that wasn't followed. And that was because those big banks weren't following that the real heroes in this were a lot of the smaller community banks, and community size lenders, there's, you know, in Knoxville, out of the that Facebook group, there were probably only those like 60 or so businesses that were on there, there were probably only five they got Triple P loans funded in the first round. Because they already went with their traditional big bank. And my...the bank that I use or credit union that I use for our business, they decided not to participate. So, we immediately started looking around for other banks and found a community bank and a county, like two counties over from Knox County, Severe County Citizens National Bank, and we found a loan officer there. The bank was first off was run by CPA, is the bank president. So, he has a full understanding of of kind of what was

going on saw that understood how the law was written. The Cares Act was written understood how the Triple P program was developed, and understood that it was up to you know, these local lending institutions to really make a difference in business people's lives and workers lives by funding these things...had a phenomenal loan officer, their at least said that they got it, understood it and help people through the process. And I they've probably funded well over 100 businesses in Knoxville already. And so it's kind of been unbelievable how much this little community bank outside of our community has done for us in Knoxville. And some of the big banks are still struggling to do anything. And so, it just kind of you know, it was, those were definitely some of the disappointing parts of it. Personally, we, we got funded for Triple P, on the first round, we got it right in, got approved right after, right, like on the last day right before the money ran out for the first round of Triple P funding. We've actually already dispersed all of that, to we've actually paid it out and just ran payroll today. And we we've paid it all out now so we're thinking it should be and it all went to payroll. We're finding other revenue streams to pay other bills and we're working on ramping some of those some of those vendors that were allowing us to do you know, whether it's landlords or other things like that, that were had often are offered us kind of some partial pay options and things like that. we're working on ramping those payments up and getting those from you know, a smaller percentage paying each month to working towards full, full payments. And so, you know, we're not certainly none of us are out of the woods yet but we're working on it. It's business is not back to usual but you know things are starting to open up and people are starting to go out in East Tennessee now so we'll see where we are.

Hilary Blum 25:01

Yeah. Can you describe some of the ways that your business has shifted during this time? I know you've adjusted who have been the tasting room, how much time they're gonna be spending their takeaway models? Can you describe that for us?

Stanton Webster 25:16

Yeah,yeah. So, our business model on the front end was we kind of sold out of a few different doors, if you want to look at it, that way, we have our tasting room for the distillery. That is, it's a retail shop plus like a cocktail bar. So, you can come in seven days a week and have a drink on site with spirits made out of spirits that we make their and then distillery. And that was a big portion of our business out of the tasting room. The other side was we sold merchandise and bottles out of that tasting room as well. And then the other portion of our business is we distribute our spirits, we work with wholesale distributors, through the three-tier system of alcohol sales. So, their manufacturers, there are wholesalers and there are retailers, and we're manufacturer, we sell our product to a wholesaler. And then they go out and sell to retail outlets, which are bars, restaurants and liquor stores. You know, we are a small brand, we're very cocktail focused with a lot of our spirits. So, bars and restaurants are the two biggest components of our distribution model. So, like in the span of one week, we saw not only our tasting room, revenue source dry up with, you know, big portion that being the cocktails. We saw all the bars and restaurants close. And so that was like, "Oh, wow, that's that's a strange predicament to be in with, with a very small revenue stream now." So, we immediately we knew we were going to keep the retail option for as long

as liquor stores can be open selling bottles in the state of Tennessee, we felt like we should do the same thing. We, we didn't put any, most of our employees were uncomfortable in customer facing roles, especially on the front end. And so, we just said, "Hey, don't worry about it, we got some other you know, we got some cleaning tasks we can do for right now. We'll pay you to stay home, we'll you know, we'll work through this." We don't want anybody getting sick. So, it was myself and my partner, that were the two people that work the tasting room, and then stayed in that customer facing role. And then we we immediately did some deep discounts. We immediately made some hand sanitizer followed the World Health Organization, recipe and formula for that, um, got our FDA approval, went in and got special approval from the FDA to manufacture hand sanitize sanitizer, ethanol-based hand sanitizer. And so that took a little extra effort and time. And we, a lot of distilleries in Tennessee started selling that hand sanitizer immediately, we realized that we didn't have the production capabilities to make a lot where we can sell and it'd be financially feasible, we'd be more like kind of for the good vibe marketing thing, which is fine. But so, what we decided to do was just give that away in small quantities to people that were having trouble sourcing or locating sanitizer. So, you know, if you're financially if there's an issue if you just can't find it physically, so that was all late March, early April. At the same time, we were working on some other you know, we're constantly working on some white label projects, private label development, things like that for, for clients and customers. And so, we started trying to move some of those forward. And then we had a local wholesaler, very early on that wanted to hire us to do to produce sanitizer for them, and then they would sell it and we went through the whole process with them kind of showed them what they would need. They started talking sales numbers that they were looking for. And just very quickly realized it was much more than we could produce for them. So, we kind of worked as that middleman sort of hooked them up with some bigger distilleries. It could be that it did have the production capabilities that were big enough. And so, while that was going then we kind of found a role for ourselves. There's a bigger distillery that had enough contracts in place that they were having trouble keeping up with. You know, they can produce the bulk sanitizer, but they were having trouble then getting that into smaller bottle quantities to send out case by case to people. And so that was we found a niche for ourselves there. So, from there, then we went and reworked our entire distillery, moved a ton of stuff around, developed new equipment, procedures and all that and turned it into basically a sanitizer processing facility, if you will. So, we take bulk hand sanitizer and...and package that and process it...process and package that to get it out to this wholesaler to get out to the consumer and it's been enough. They supply Knoxville they supply...they're...they're national wholesaler they're based here in East Tennessee, they've sold a considerable amount of sanitizer to East Tennessee. They've given sanitizer to a lot of the local municipalities, nonprofits, and things like that. And so, it was just great to be able to play a role in that. And also, as a revenue source was something where the work itself was much more than what our base employees can do so...so we've got our base employees were able to pay people with Triple P. Now, we had to hire some new people too. And so started reaching out to friends at breweries that maybe didn't have work and accounts and things like that we put a team together. Now, and that's, you know, that's what we're doing so, so we're kind of cobbling together different revenue sources and different revenue streams with some of that government help in the Triple P to keep everything moving forward.

Hilary Blum 31:37

What was that process like? Adjusting from your normal day to day business practices, our production process to producing hand sanitizer? For bottling hand sanitizer?

Stanton Webster 31:49

Yeah.

Hilary Blum 31:50

How? Yeah...So set up for them?

Stanton Webster 31:54

In a way, yes, in that we have always been in the business of putting alcohol, taking bulk alcohol and putting it into smaller packages, and sealing it and all that. So, there was a lot of it that we were familiar with, but I think it's probably sports metaphors, people always rely on sports metaphors in these situations. I think it's like being a swimmer. And it's like, you know, people typically specialize and different strokes. And so, it would be like, you know, "oh, I do the backstroke and now I'm gonna go swim freestyle or something like that." So it wasn't, you know, doing this exact work. We were totally familiar with the functionality. But we hadn't done this exact thing. And so, it was a really, in a strange way, it was a very fun challenge. If, if you could remove kind of the human suffering aspect of this, there were a lot of interesting things with responding to Coronavirus. And it was just an opportunity for us to be flexible. And so, for us, it meant relying on my business partner has a background in manufacturing, and project management. And so, he relied on a lot of those previous skills for that, and then we kind of got creative with it too. And so, it's a new set of challenges. And so, it took us about a about a week solid week of working, where we were constantly, you know, we came up with a plan, we implemented it in terms of how we were going to do the flow and maintain social distancing with the employees and PPE requirements, and you know, all this adopting all these different things. And it took us about a week to really get it to where it was humming. And then, you know, we made a few tweaks and, and adjusted some things. And the output was greater than any of the big distilleries were able to do for that portion of the work that we were doing. So, it really felt like we were filling a good niche there.

Hilary Blum 34:06

Good. You mentioned social distancing for employees. How have you been able to maintain that level of safety for your employees?

Stanton Webster 34:15

Yeah, so um looking at how we process at each stage we're...we're pretty fortunate in a lot of ways in that we have for the distillery in terms of production size of where we are, we had always planned from day one with our distillery, we plan for growth. And so that started with having a bigger space than what we needed on the front end so and a lot of production, so we made sure we had what we considered to

be a good production space to go through at least two to three more steps of growth. So, the very first thing then was, and we have very tall ceilings and so it will be let's, you know, push things, push stuff that we're not going to need right now, like we're not, you know, we're not selling a ton of spirits right now. So, let's put bulk spirits here, bulk spirits here, bulk spirits here, get that out of the way. And then it was looking at the functionality of what we're doing the actual work that we're doing. And so, say we're taking a bulk container of sanitizer, and filling bottles out of that. So, instead of utilizing our traditional bottle filler, which is kind of a four to eight head unit, where people would be kind of close to each other, we went more low tech with it. And it's actually allowed us to be to maintain more social distancing and fill bottles faster. The bottle filler itself is a little slower. So, it with a manual form, what we did basically was make a big "T" coming off of that big bulk container, and we just ran pipe out, you know, where we kept our employees six feet apart. And we just kept adding connectors until it got long enough where they can be six feet apart. And then we just staged the work, you know, we just kind of thought through the work what we have to do, and there were kind of different steps to it. And we assigned certain people to do certain roles. And then we had kind of go between stations with each of those. So one person would do, you know, part A, and they would bring it over to the next station, and then they would leave that station and this person would go take it to do part B, and then they take it to the next kind of middle station and leave it and then the next person would go to do part C, and that's when it's ready to be out the door as delivered product. And so, it was just really kind of thinking through the system, thinking through the work we needed to do and then applying a system of how do we maintain six feet distance. You know, we provided PPE masks gloves, we're manufacturing hand sanitizer. So that was that was helpful. And lots of hand soap. Lots and lots of hands soap...and making sure people are washing and doing things like that. And, you know, it's interesting to watch where as humans, we're kind of, we're social creatures, and we, we love close interaction. Lots of us are huggers. And there's you know, the only time that's wrong isn't a time of pandemic. So, you can see people like when they're on top of their game. And they come in in the morning, like it's hardcore, maintaining that six feet distance and right before lunch, you kind of start to see people kind of slowly slip up and start to forget, so we, you know, we put some signs, put signs up, make sure that when people check in each morning for work, we're running through the questions that the CDC recommends about health and, and things like that. And so, putting things in spots where they'll be kind of friendly reminders of "Oh, yeah, yep, can't, can't walk over and, and high fives nobody like normally would when we're doing really great." Like, we gotta gotta think about it in a different way. So...

Hilary Blum 34:22

How has the public responded to the measures that you've put in? Be it's being grateful for finally being able to find hand sanitizer, or maybe frustration that things are closed down?

Stanton Webster 38:40

Yeah, in downtown we haven't seen as much of the frustration with things being closed you know, 99% of our interactions are very positive with folks. And so, we you know, there but the strange part is that 1% That is upset, that's the one you know, that's the one you remember the majority of time and so I try

not to focus too much on that. I've just tried to stay, keep it keep it a much more positive experience, you know, you're never gonna make everybody happy with it. We definitely are starting now to get some people saying hey, you know, "no rush but if you open up, I'll come back and have a cocktail with you." And I appreciate that. We are kind of at full labor capacity right now with what we're doing with filling the sanitizer, so you know, the opportunities not necessarily there for us to do the cocktail service and our employees aren't...aren't comfortable right now moving forward with cocktail service. So, kind of where we are in Knoxville is in Knox County is that the state of Tennessee is just about to, to kind of reopen and do away with in the next few days do away with the...right now we're at 50% capacity limits in bars and restaurants and the governments have vowed to do away with that and go to full occupancy. For the majority of counties, we'll see where Knox County falls, the bigger metropolitan counties in the state of Tennessee, are operating on a slightly different schedule. They're working with their local health departments for guidance on that, and their local municipal mayors on that, and so, so it's a little bit to be determined on what's going to happen. For us personally, as a business. You know, we're, we're going to take it slow, we've got our revenue streams, where we're comfortable with right now. And then we'll, you know, we'll...we'll start to look at this in June. In terms of maybe getting open, to do more in the tasting room, we have some, some safety precautions in place right now for the retail option, you know, encouraging people to shop with their eyes and not their hands. We've got Plexiglas up as dividers, we're sanitizing between guests, limiting the number of guests that come in, you know, distancing for checkout, things of those natures. And so, you know, trying to encourage best practices there. We're just not quite to the spot where we feel like it's a good idea to do cocktail service, or tastings or things like that. And it's going to be many, many months before we even think about doing tours in our in our distillery and bringing in groups to do tours. That'll be something that we you know, we push back for a while.

Hilary Blum 41:48

I have noticed, it seems like there are a lot of downtown businesses who closed on their own before the government mandates, and then are definitely stay close. Now.

Stanton Webster 42:01

Definitely. There were the majority of businesses, I feel comfortable saying in Knox County that closed down, were in the in the downtown city area. Now some of them stayed open for takeout only, and some of them developed, you know, were quite savvy and developed some really interesting approaches to, to doing business in this time, and kind of worked out some different means to get their businesses to be able to and it was part of that to like, you know, how do you function, the Triple P loans were great in a way in that it would help give you money to pay your employees. But it prescribed that like 75% of that money had to go to paying employees and so you had to keep payroll. And so that's a big expense. And so it was interesting to watch different businesses figure out the workarounds for that. And so the ones that were successful, developed, very robust to go delivery and to go food options and drink options. And they were you could watch them, you literally could watch them build their revenue streams each day. And each week you're like, "Okay, well, we did this much today, how do we add an extra \$100 on

to that." Like, how do we, each day you can see and they would offer something different or something new and the things that worked, they kept, things that didn't work and they left those behind or tweaked and modified those, you literally could see places have their success and part of it was because they had employees there. And they were able to utilize that labor stream in different ways to increase the revenue streams. And all doing it then in very safe ways. We haven't...we haven't seen outbreaks in downtown Knoxville at all.

Hilary Blum 43:57

I've noticed a lot of...

Stanton Webster 43:59

...yet...

Hilary Blum 44:01

Yea...Costs...

Stanton Webster 44:03

Knock on wood.

Hilary Blum 44:04

I've noticed that a some of those methods of increasing revenue. At least you know, from a distance watching some of these changes happen over social media. Some of those have been with posts offering pre-mixed cocktails with Postmodern bases.

Stanton Webster 44:21

Mm hmm. Yes, we love seeing that. We love seeing that. And it is I think part of that is that notion of people. You know, in these times, you see a lot of people focusing on local and hyperlocal and supporting local. There's always...we've always been very fortunate. Speaking for my business of having a local support aspect we have we have people that because we are from Knoxville, you know they are supportive of us. Whether in some of them don't even drink they're just like, "oh we you know like you. You donate spirits to a charity that we like. So, we want to help support you. And when we have friends in from out of town that do drink, then this is where we come, this is one of the places we book tour, we do this, we do that." So that's always great. And we, we feel very fortunate to have that, to have felt that support. This was even more of that. And so, it was able then for that bar restaurant to, to be able to say, "hey, not only is this going to be a good drink that you can put with your nice meal. But this is also like you're supporting two local businesses now. You're...you're increasing that impact, you're increasing that, you know, you're putting dollars into workers hands, in different places now, and it's all staying local." And so that's to me, that's a really important, you know, important to feel and see that support.

Hilary Blum 45:54

Yeah, have the, I know you've sold pre-done cocktails before, and that has...have you noticed...?

Stanton Webster 46:04

It's been a big portion of our business in this time. It turns out, people are a little intimidated. Some people are a little intimidated of making different cocktails at home, they're worried about making mistakes and figuring out recipes and things like that. So, we had always offered some, some bottled cocktails. And we did it for a few different reasons. Three or four we had developed or five different cocktails that we had developed some fancy labels for, so we sold them in big 750 milliliter bottles. And those are great, those are cocktails we'd served in the tasting room that we'd worked out the recipes and formulas for and so from there, then we had a lot of requests for specialty cocktails for nonprofits for fundraisers, signature cocktail for this or that. And so, just through over the course of the last two or three years, we'd been keeping up with those recipes and stuff that worked well. We would before we would do that cocktail for the event, we would get what they called a formula approval with the government and get a label approval for it. So, we can legally then make that cocktail, batch it up, put it in bottles and send it through our wholesale distributor to be delivered to that nonprofit event. So then that nonprofit can sell that cocktail at the event as a fundraiser. And so we realize we had just, you know, like 12 or 15 of these. So different cocktail formulas approved that were all tasty. And you know, we had the bottles on hand. So that was another kind of fun thing to work on was, was batching those cocktails, and then having those as basically ready to drink cocktail. So, you come in you buy a bottle, take it home, shake it up, pour it over ice, and you're drinking, you know, really well-crafted cocktail that takes you no time at all at home to put together.

Hilary Blum 48:02

And you already had the government approval for those things, you already had a local approval.

Stanton Webster 48:07

All of it was you know, all of it was stuff we had done, either, because we were selling those for rets.... some of them were selling for retail, and invested in fancy labels. For those some of them were out of our kind of portfolio of things we would donate to local charities, and just trying to be trying to be a good neighbor, good partner, good community partner. And those don't have fancy labels. But they have legal labels that we can print in house. And that's part of just part of it. And those have been a really good revenue stream through the shutdown. That's great. Yeah, to the point where some of them, we've probably will invest in tweaking the labels, once we have disposable income for those kinds of things, because the feedback on a couple of them have just been outstanding.

Hilary Blum 48:59

That leads into something I wanted to ask you about. That kind of you, you learned something through this that you might drag over, you've learned what, which of these bottled cocktails works really well. And you might pull that into this post pandemic period that we are hopefully heading towards. Are there

any other changes or lessons or experiences that you've had during this period of time that have made you reflect on things that you can do differently? Or better?

Stanton Webster 49:27

Yeah. We're, we're dividing it up into there's so many, there's so many kinds of dividing it up into different areas to like, so there's some things we had maybe taken for granted on the business side. And that maybe we hadn't been you know, we think of ourselves as a small business and that we're nimble. And we are and there's some great things with that. The value of cash on hand for any business has just been reiterated through this. And so, for a distillery, especially when you're making whiskey any...any spirits in general but whiskey especially you can get inventory heavy and so he's tie up a lot of your money in inventory on hand. And we've had some unique circumstances building into this with what was going on the...the federal excise tax that there had been a two-year reduction in that there was some talk of it, of that reduction not going forward, we're going to lose that reduction between January and February. So, we had been producing a lot of spirits and kind of dedicated ourselves to producing and bottling a lot of spirits. While that excise while we knew the excise tax would be lower, just to be prepared for the possibility of that excise tax coming up. So, we had tied up a lot of our cash. And doing that we had, you know, been paying in in some different ways on different things. And so, you know, some of the big lessons we've learned is, you know, no matter how big or small your business is, maintaining a strong position with cash on hand is, is pretty important. Making sure you have strong relationships with your banking institution and have you know, have access to have access to working capital. You know, whether that's a line of credit, business loans, things like that. Because there's, you know, there's certain things you can put on a credit card if you need to, in the short term. But that's probably not a smart way to go about it, but there's a lot of stuff you can't. And so having cash on hand, to be able to pay employees and things like that is very important. And so that was a big one, we learned that that was something that we knew. It's just, you know, we kind of let some circumstances lead us in certain ways where, you know, we weren't quite as ready for certain aspects of this. And then after that, like now, the other side of that is okay, so then what lessons have we learned for like, just like what spirits work, what don't work once, you know, and how do we market ourselves in this time? So, you know, we've kind of been dividing it up into different areas of the...the actual business and what is what does Coronavirus, taught us and all those different fields and yeah, the...the ready to drink to go cocktails, we already knew that was a good could be a good area for it, for us. It wasn't something we had spent any time developing before this. But coming out of this, it's something that now has been developed just because of the situation we're in. So, it's definitely something we'll spend some resources in moving forward to kind of clean up and offer some different options with that and continue to add on as a viable revenue source. It's...it's kind of it's a natural extension of what we do in the tasting room with making cocktails. So, it makes a lot of sense for us to can you continue doing that? As we hopefully move out of the quarantine phase of dealing with the Coronavirus.

Hilary Blum 53:22

Right. I just have a couple more questions as we wrap up. I want you to ask you, how are you doing? How are you managing? I know you have a lot of how are you feeling?

Stanton Webster 53:34

Yes. So, it's been very stressful. And so, I immediately found some what I felt like were positive outlets for that. I have a nine-year-old daughter and she's almost 10 should be 10 this summer. Fingers crossed that we get a good birthday party and because you know that's important. But she we've been in a Montessori school systems and she was three. And so, they...they kept on going to school via social via online. So, in March, we were on spring break when all this was happening. Their teachers actually started meeting via video chat and email and phone calls. While they were on spring break in. We started back at school the week after spring break there was, I think they took two or three extra days off. We started we had a big meeting. They sent out some information on Zoom. Well, they started with on spring break of sending out, It's Nature's Way Montessori School. They sent out a survey to parents to find out who you know, it was what access did you have to Internet and computers. Did you have extra laptops at home iPads, you know what was your Technology situation. So, we went back and started looking at our old iPhones and iPads, and my wife is an accountant. So, she has about seven or eight employees now. So, it's a nice little office situation, they all are able to work remotely. Um... and they have a lot of laptops and things like that. So as a community, as a school community, we kind of pulled together to help move resources around to make sure everybody had something. And by like, Wednesday or Thursday, after our spring break ended, we were having a meeting with all the families via each classroom. About hey, "let's...let's move forward with this. We've got a plan. It's not going to be like school every day. You know, so it's not gonna be bringing your kids to campus and dropping them off and having them do all the fun stuff." Because her school was on like 10 acres, and they raised chickens and they have green, but they have crops that they raise and crops and lettuces and, and things of that nature, but mushrooms, and they keep bees, and so a lot of outdoor activity as well. And so, I just kind of jumped right into that. So, my wife was full on like, I'm going to spend 100 hours a week trying to figure out the Cares Act, Triple P loans, save as many businesses in Knoxville, so she put on her superhero accountants, cape, and so I put on my well...I'm going to be the domestic god I was born to be. And so, we started hardcore on school, I was a teacher. And then it was okay, gotta help support the community. And I identified very much with the bar and restaurant community, Knoxville, Nashville, Chattanooga. And so, there were some opportunities there with the United States, Bartender's guild, there's a big push for their grant organization. And so, I got very involved with that, volunteering time, vetting applicants, all kinds of weird stuff that you do. And saw like 300,000. And there were like 300,000 applications from across the US for these grants with the bartender skilled than more locally, there was an organization called the service industry tips that got started, it was a couple of bar and restaurant friends from Chattanooga, that have a couple of software developer, friends, web designer friends, that kind of thing. And they started this online website where bartenders and servers could put their Venmo and Cash App handles onto this website. And as you were drinking at home as a quarantine, when people were staying home, you could when you were having a drink at home, the

notion was then you can log on to this website, and tip different employees, it was on a randomizer. So, each time you went to the website, it would pull up a different name of somebody from that community. And they realized, hey, we can do this for like every city. And so, you know, Chattanooga was the first city. And then within less than a week later, we had a Knoxville page up and started. And so, there's a lot of vetting of applicants for that. And it was, you know, kind of stay up all night working on that then teach daughter school, and then try to manage the business too. And so, but that's what it took, because it was, it was anything to kind of get my mind off of impending doom. So, and so that's what we did we turn the TV off, in a lot of ways. A lot of friends were binging different shows. We would take an hour each night and watch my daughter and I would watch some Monty Python. And we would Yeah, so you know, like it was we kept our priority. We cooked a lot we, we, from the very beginning, we said we are going to support local bars or local restaurants and bars if they were doing to get food and we're going to eat out we're going to grab to go food from you know, in a safe manner from one of those places. You know, as many times a week as we can afford to and that's and then we're going to cook a lot at home too. And so, I you know I came up in restaurants, so I love cooking. And we've got a great little food Co-Op here through River Street cop in Knoxville. And from the beginning they took social distancing very seriously. They took you know really safely coming into their facility and getting and they focus on local produce. They focus on local meats, local eggs, and local dairies. So when there was a shortage on toilet paper, you know, they still had the hippie toilet paper at Three Rivers market and may not have been the most soft but it sure was there and so, so we were able to maintain our supply lines via the, the market and just yeah, I really tried to focus on I don't want to say focus on normalcy, just focus on positivity with...with my daughter. And, and part of that was, you know, getting into revisiting those, for me revisiting Monty Python. For her it was finding Monty Python for the first time and finding skits that we loved and reenacting them. And you know, just finding little things like that her, I always tried to...art was a big issue, she loves art. And so, there was an art assignment every week. So, I made sure we were able to work on the artists I met together, like I did every art thing that she did, and we would work on it together and spend time doing that. So that was really important just to have that as a release and spend, you know, that that very much quality time with her. Um, science was the other big thing that I love from school. And so, we got spent a lot of time doing science projects, ask for some in montess, in Montessori lingo, they use the term extension for kind of extra work extra credit work. And so, we asked her a lot of science extensions, and then we would make, or she would make cartoons out of them, animate kind of what we've done, or she would make a movie out of that. And so, we just had a lot of fun with that, and then just really tried to, you know, recognize and appreciate the fact that something bigger than us was happening, that we weren't in control of, but we were in control of how we dealt with our emotions. And that, you know, we, we could, you know, maintain some positivity with this while also realizing that there were some bad things happening to people that we love very much. And so, you know, take the time to honor them as well. So, yeah. Now, where we're at the very last week of school, it's this week, it's all the kids are presenting their yearend research projects. So, all her actual work is accomplished. She has written her report, she has a wonderful PowerPoint presentation to present on the cats of South America. And then it's summertime. And so, I don't know what that's going to involve, but we'll figure it out.

Hilary Blum 01:02:29

Yeah. That's a good outlook, not focusing on normalcy, which we don't know when that's going to return positivity.

Stanton Webster 01:02:35

Yeah, yeah, it's the only, only way I could figure it out. And not like don't. I went on early on and did a podcast with a friend who was talking to creatives. And I've never considered myself a creative. But he assured me that I was, and we, you know, this is the thing for me right now, it's like, feel free to contradict yourself. Like if, if you are a person that normally wakes up every morning and you you're a writer, and you write four paragraphs, or you write four pages, you write 400 pages, or you're a painter and you do this or you're that you do that, whatever it is, feel free to not do that, you know, feel free to take a minute, you know, and find some kind of center for yourself and go from that if it's if you just need to, like drink coffee and sit and look outside and a flower that's willing, whatever it is, you know, feel free to get outside of what you normally do, because that's where we all are. Nothing is business as usual. Nothing's normal, nothing's, you know, like, take some time contradict yourself if you need to, and find some other ways forward to focus on things that will, that will try to get you back to moving through things in a healthy way.

Hilary Blum 01:03:51

My last question for you is open-ended. And for you, is there anything that I didn't ask that you would like to discuss that you would like to be known as on the record?

Stanton Webster 01:04:04

Um, no, I think we've learned we've, we've talked a lot. And you can see I'm so bashful and shy, I don't like sharing. No, I think it's, you know, the, the take home as we move forward, for me is just that, you know, reinforces a lot of those notions of you were in a big world. And we're not much in control of, of things very much. And so, we like to toy with these notions of keeping ourselves safe. And you know, we want to keep our children safe to keep these rare, but, you know, there's not, there's not a lot of ability to do that. What we do have the ability to do is to educate ourselves and make smart decisions. So that's kind of, that's where I hope we can move forward out of this is, or move out of this is, you know, look at look at our decision-making processes let's look at, as we come out of this start to focus on this probably isn't going to be the last issue we have with communicable diseases. So why don't we go ahead and get some things in place? You know where we're in, in the southeast, we're in Tornado Alley, in Tennessee. So, let's, you know, we saw during this pandemic, we saw both Nashville and Chattanooga have major issues with tornadoes. And so, there's not really, we didn't have an adopted plan for well, how do we deal with large scale tragedy of a weather while we're also having a health and so how do we put those things together? And so, we can plan for these things that, you know, whether it's Coronavirus, or something else, like we can have some, some means to be prepared to, to respond to these things. And I hope that's where we go and start working on and part of that just comes from education.

Hilary Blum 01:06:15

Great.

Stanton Webster 01:06:18

Yeah. How's that?

Hilary Blum 01:06:19

Great. Okay, I'm gonna hit...thank you so much for joining us. I'm going to hit stop recording