

California Dreaming

The progressively minded Bay Area Beverage Co. is a pioneer in the use of solar energy. By Andrew Kaplan

California is known for being ahead of the curve when it comes to a lot of things. So, perhaps it comes as no surprise that the Richmond, Calif.-based Bay Area Beverage Co. prides itself on being one of the first solar-powered beer distributors in the country.

The company's territory encompasses the communities east of San Francisco, south of the wine country, north of San Jose and west of Sacramento, leading TJ Louderback, the company's president to add with a laugh: "We didn't get the prettiest patch of territory, though there are some very nice communities in our market."

Bay Area Beverage was actually started by TJ's father Tom



◀ BAY AREA BEVERAGE president TJ Louderback (l) and his father, Tom, show off the solar panels adorning the company's warehouse roof.

and some partners in 1969. Tom eventually bought out the partners and now runs the company with his son. Since that time, the company has grown into a 7 million-case beer wholesaler with

just under 200 employees. "Our market is very diverse," Louderback says. "We have a significant urban community comprised of a mix of ethnicities, and we have also acquired some more suburban territory as well."

Bay Area's product mix has changed over the years, too. While back in the '80s, the company "learned to survive on malt liquor and non-alcohols like Snapple," Louderback says the company has gotten more into craft beers and imports, and the suburban areas have fueled its Coors business. "So, now we have a much more balanced, stable portfolio," he says, "where we're selling MillerCoors, our top supplier, as well as Heineken USA and Diageo, and about 80 percent of our non-alc volume is Snapple with the rest mostly bottled waters."

A few years ago, the company made the decision to cease renting a warehouse in Oakland, and buy a 250,000-square-foot former Ford plant in Richmond. The company soon after installed a Vertique picking system in the warehouse to improve efficiencies. "We're always looking for ways to get the same job done with a lot less work," Louderback says. Also, since the building needed to have its roof replaced, Bay Area added solar panels to about half of the roof which will eventually supply 100 percent of the warehouse's electrical needs. "I really crammed to learn how solar works, and we're pretty confident that it will pay for itself," he says. "It's a very easy way to make more money."

Louderback says his father took a little bit more convincing when it came to the solar energy project, however. "I told him this goes immediately to operating profit and nobody has to work any harder for it. He was skeptical initially. But we worked through that and now he's the biggest cheerleader." **BW**

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