

Episode 57

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Watershed Distillery, craft spirits, craft cocktail movement, Columbus Ohio, buy local, business partnerships, entrepreneurship, professional volleyball, bourbon distilling, supporting local economy, Appenzell Switzerland, business buyout, founder journey, collaborative entrepreneurship, brand building

SPEAKERS

Jason Duff, Greg Lehman, Ethan DeLeon

G

Greg Lehman 00:00

it wasn't as crazy as you think. Like, because it was so much buildup and so much anticipation, the actual call to finalize— like, that week of it, like, we kind of had all the ducks in a row. We were waiting for one or two more things. And then the day of the deal, we had this big call with all the stakeholders on board. We all get on this call. We have, like, I forget if it was an hour scheduled or something with all the attorneys. And 5 minutes in, the lead attorney for the other side is like, Greg, do you agree to all the stuff and releasing the documents? And I said, yep. John, for the other side, do you agree to release all the documents? He said, yep. And he's like, okay, we're done, thanks.

J

Jason Duff 00:39

And I was like, that's it?

G

Greg Lehman 00:40

That's it, that's it, we're done.

E

Ethan DeLeon 00:44

Welcome to the Small Nation Podcast, brought to you by Coverlink Insurance, where people are more important than policies. On this show, we unpack lessons from entrepreneurs to break down development strategies and do deep dives on small town success. Our goal is to provide value to our listeners by hosting conversations that teach, inform, and inspire. Hey everyone, my name is Ethan DeLeon and I'm here with the founder and CEO of Small Nation, Jason Duff. We're joined on the podcast today with restaurant owner and team member Adam Rammel as we interview guests, the guests for today in our very own and their very own barrel room. Today we have entrepreneur, former pro athlete, and the founder and CEO of Watershed Distillery in Columbus, Ohio, Ohio, Greg Lehman on the show.

G

Greg Lehman 01:29

Let's go! Yeah, woohoo! Great, happy to be here. Thanks for having me, guys.

J**Jason Duff** 01:33

I just have to say, walking into this barrel room, that smell hits you from the out— I mean, literally just walking in. So what kind of oak are we— what are we smelling right now?

G**Greg Lehman** 01:42

This is bourbon. You're smelling bourbon. It's aging in American oak, and that oak, you can't see it from the outside, but it's beautifully charred on the inside. So it's nice black char, and that That bourbon sits in there for 4, 5, 6 years depending on what we're making.

J**Jason Duff** 01:57

Wow. That's incredible.

G**Greg Lehman** 01:59

And you know what? The warmer it is in here, the more that smell comes out because as that air heats up in the barrel, it expands and it pushes that bourbon unfortunately outside the barrel and that's what you're smelling.

J**Jason Duff** 02:10

So when you go home to your family, do you permanently smell like this?

G**Greg Lehman** 02:13

Yeah, most, my office is across the street so I don't normally smell like booze, but it's always a little tricky when I'm going to pick up the kids from school right from work. I'm like, I hope I don't smell.

J**Jason Duff** 02:26

I was going to say, have you ever been pulled over?

G**Greg Lehman** 02:28

I have been pulled over, and luckily they haven't questioned me.

J**Jason Duff** 02:31

This is good. Well, we came in today, Greg. It's just awesome to be here at Watershed Distillery in Columbus, Ohio. Your story has always been one that's inspired me. And we connected and met, I think it's probably been 4 or 5 years ago. But restaurants, a lot of our restaurants in the towns that we work in, when they get a liquor license, it's kind of a game changer for them, being able to expand their menu and offer beverages and adult beverages. Maybe it starts with beer and then moves to wine, but then the whole kind of liquor movement, especially craft liquor, really wasn't a thing until you created it.

G**Greg Lehman** 03:10

Yeah, it's interesting that you say that. It would seem like that in Columbus, Ohio, in Central Ohio, but we really were right place, right time., and got lucky with what happened in the craft cocktail movement, the local spirits movement. We started going out and talking about it here when, unbeknownst to us, there were people doing that in many other cities across the U.S. And we started, and you'd look around and there was no one doing what we were doing. And then a few years in, hey, there's a couple more and a couple more. And now you look around like, all right, Yeah, everyone's jumping in. Every city has their own local flair, flavor, distillery, and it's been fun to be a part of it.

J**Jason Duff** 03:55

So tell us, where are you from originally? Where is hometown for you?

G**Greg Lehman** 03:59

Galena, Ohio.

J**Jason Duff** 04:00

Galena. And that's a small town.

G**Greg Lehman** 04:02

We're not far from here. Yeah, a small town just north of, 45 minutes north of the distillery right now.

J**Jason Duff** 04:07

In Delaware County, is that right?

G**Greg Lehman** 04:09

Delaware County.

J**Jason Duff** 04:10

Yeah. Well, we talked about Delaware County is one of the fastest growing counties in the state of Ohio, but going back and growing up there, you, you had a small town experience and, uh, ended up finding Ohio State. Is that right?

G**Greg Lehman** 04:21

Yeah, that's right. So grew up and, um, you know, not far from Columbus, spent time down here, and, you know, loved the Buckeyes living this close to Columbus. And, uh, when it came time to, to pick a school, you know, they had— they actually have a great volleyball program. And so, um, it was always on my list of places to, to look at, and it just fit. It was perfect.

J**Jason Duff** 04:45

How, how did you find volleyball or how did it find you?

G**Greg Lehman** 04:47

Yeah, that's, that's a great question because, you know, my high school didn't have a team. And so growing up, I mean, we had a women's volleyball team, but no boys. But my dad actually, this is wild. He was the captain of the first varsity team at Ohio State. And so in 1968, they started a varsity volleyball program and he was on the team. He had been playing there on the club program. And when they started as a varsity sport, um, he was a senior, and so he led the team that year and then went on to be a coach. So he could— he's been coaching my whole life. He's been coaching high school girls volleyball. And so I just grew up, as soon as I could accompany him to practice and he could trust me enough that he could run practice and I wouldn't run off, he would take me to practice. And I had a ball in my hand, and I'd try to jump in the drills, and if he let me, I'd jump in the drills and until I got good enough that he was like, hey, you can't come to practice anymore. You're a tall dude, right?

J**Jason Duff** 05:46

And so that, that helps.

G**Greg Lehman** 05:47

Yeah, that helps. Yeah, that helps. Well, it's interesting you say I'm tall because I went through college feeling so short because every— yeah, if you go to Ohio State and see these guys on the team, they're all 6'7", 6'8". You know, my roommate was 6'11". So, wow, these really tall guys. And so I kind of went through college really feeling short. And then I got out in the real world and I'm like, hey, you know what? I'm kind of tall here. This is all right.

J**Jason Duff** 06:13

So what did you study at Ohio State?

G**Greg Lehman** 06:15

International Business and Operations.

J**Jason Duff** 06:17

Wow. Okay.

G**Greg Lehman** 06:17

So I was at Fisher School of Business and— sure, it was actually a cool experience because my first quarter in the College of Business, I had classes at old Hagerty Hall. Now you go to Hagerty Hall right now and it's beautiful.

J**Jason Duff** 06:31

It's different.

G**Greg Lehman** 06:32

Completely redone. Completely redone.

J**Jason Duff** 06:33

Yeah.

G**Greg Lehman** 06:33

But then my second quarter in the business school was actually at Fisher. And so I got just a little taste of what it was. So I had full appreciation for this beautiful, amazing campus that they built over there on North Campus.

J**Jason Duff** 06:49

Awesome. So take us through that, you know, through your volleyball journey and your, obviously, your college experience. Obviously, we ended up—

G**Greg Lehman** 06:56

Somehow the story goes to Switzerland. Yeah, it does.

J**Jason Duff** 06:58

Take us with you there.

G**Greg Lehman** 06:59

So playing volleyball at Ohio State, I clearly studied hard because there's, there's really no visibility into this professional career. And I actually had a job lined up with Lucent Technologies for when I graduated. And the volleyball season's in the spring. So we got done in May and I was set to graduate in June. And my coach comes to me and he says, Greg, this, this team in Switzerland sent an email out and they're interested in having you come play over there if you're interested. And, you know, I'm lined up for this intern— or for this job. I had done an internship the previous summer. It was amazing company. And it took me about 2 seconds to decide that I was not going to work and I was going to go play volleyball in Switzerland. So it was an amazing opportunity. I move over there and start playing and had an incredible year. And then I actually got traded my second year to this other team. It was actually a better team and they had a little bit more money. And I was living— so my wife and I are living at the base of the Alps above this bakery. We can look out our window, we see that, we see the mountains. I practice, you know, I take a little train over to practice every day.

J**Jason Duff** 08:09

It's— have a little chocolate in the morning. Yeah. No, cheese in the afternoon. I get the diet of chocolate and cheese. Yes.

G

Greg Lehman 08:14

So this, this bakery, I think she thought free coffee and pastries were part of the rent that the club was paying. So. It was incredible. But the thing in Switzerland is it's expensive. Cost of living is high. And the other thing is, and I didn't realize it at the time, but there was this fierce support for local going on. And the way I found that out was, you know, the hard way a little bit. So, you know, everything's expensive. And my wife and I would go to the grocery store and pro volleyball players in Switzerland don't make the same money as pro athletes here in the United States. It's a little bit different speed. So We were actually, you know, we had come right out of school, so money didn't really matter. But literally, we would go to the grocery store and we would be, all right, I think we can get this and this. You know, we'd be budgeting what we could get. And so one day, you know, we were on a pretty tight budget, but we had everything we needed. We venture into Germany and we go into a grocery store in Germany and everything was about a third the price of Switzerland. And so our eyes light up. And we are loading up the cart. There's no budget. Like, we are like, this is opportunity.

J

Jason Duff 09:25

We love it. Everything's relatively close in Europe.

G

Greg Lehman 09:27

That's the other thing that we don't really get here in the States.

J

Jason Duff 09:29

Like, it's a train ride or it's—

G

Greg Lehman 09:30

right where we were living, it was kind of at the corner of Austria, Germany, and Switzerland. And so you could be in Austria fairly quickly, over in Germany. So if you wanted to grocery shop over there, it's not the end of the world. I mean, you have to go back across the border and there's a little bit of traffic there. But this is, um, It's not like it is today. I think actually today I think it's still pretty easy to go back and forth there. It's all part of the EU. And so, you know, we load up the car and we go back across the border. And that night I go to practice and we are like, you know, when you find a deal like that, you know, for me, you're telling everyone about it. I'm like riding high, like I'm still like got the buzz going. And in practice that night, I'm like, guys, did you know, like, We went over to Germany and everything was so cheap. And I probably had the prices like, you know what chicken costs? And, you know, all this stuff. And, and these guys are looking at me and I can tell like something's wrong right away. And they're like, they're giving me this look and I'm like, what's wrong? And the one guy speaks up and he's like, well, you know, Rolf and Alan and Rolf grows all the eggs. He sells them to the local grocery store and And Rolly Koch, like, he— his family makes the furniture in town. And, you know, this— I forget the guy that named— owned the soda company, but the soda company sponsored the club. And so he's naming all this stuff and he's like, why wouldn't you buy their stuff? Like, what? You know, like, they support us. Like, they're right here down the road. You've met the guys.

J

Jason Duff 10:59

Convicting there.

G

Greg Lehman 11:00

Yeah. And in that moment, like, as soon as he started saying it, it's like, you know, when something clicks, it clicks and it was like, oh yeah, yeah. And so, you know, then I'm like feeling terrible and I probably made some smart comment about like, we're not going back. Like, you know, one time thing.

J

Jason Duff 11:15

Like, why would we ever do that?

G

Greg Lehman 11:17

Yeah, but, but in that moment, I think something clicked where it was like local. It shows the power of local. And even though it is expensive, a little more expensive, your — those dollars are going to someone you know. And they're staying in the community. And so by buying that soda right down the street, by buying the beer down the street, the eggs down the street, those dollars come back to the club and they're sponsoring the club. And, and then the club pays me and then I, I spend those dollars. And so it's, it's this whole ecosystem. And if you look at the town of Appenzell, there's still fierce support for local there. And so, you know, it's not like I left that town and ran back to the U.S. and started it. A distillery, but there was a distillery in that town. And actually one of the guys — the threads to Switzerland in my life are really incredible as I've gone through, and I had no idea that this was going to happen, or I'd have this big a connection to it when I was at Ohio State. But after living there for a couple of years and then coming back to the US and really jumping back in the workforce, fast forward about 10 years, and that's when the idea for Watershed really started to grow. And it started because I was in the pig industry at the time and was really desperate to do something in my local community.

J

Jason Duff 12:39

And so you said pig as in P-I-G, as in P-I-G, bacon, pork.

G

Greg Lehman 12:43

Okay, okay, okay. Yeah, not big, pig. Yeah, oink.

J

Jason Duff 12:48

Yes, pork.

G**Greg Lehman** 12:49

Yeah. And so there's no pork being raised in Columbus, Ohio, and so all my customers took me out and back to small towns, which was great. I really enjoyed enjoyed that, but I really wanted to be involved here in this community. And so, um, another buddy and I started looking at different business ideas, and we talked a lot about Appenzell Switzerland and what they did locally and, and the gaps and the holes that we had that we, that we weren't doing here at the time. And I remember driving to this pig farm, uh, actually in Upper Sandusky. So I'm on 23 North driving up there, and I called Dave and I said, Dave, What if we made gin? What if we made bourbon right here in Columbus? Like, what if we set up a distillery? And Dave was always the— I was always the 500 ideas, and he was trying to find the one good one that worked.

J**Jason Duff** 13:39

Yeah.

G**Greg Lehman** 13:39

And his first reaction was, no, that's illegal. We can't do it. Yeah. And which could, you know, kind of checks like, yeah, you can't distill at home. But we— I somehow convinced him, well, let's Google it. Let's do a little research and see, and we'll learn pretty quick if we can't.. And it was wild. We found out pretty quickly that there were these small distilleries in different states doing it, but nobody was doing it in Columbus, Ohio. And in that year, what did this spend? That was 2000, early 2009. And then we opened the distillery. We sold our first bottles at the end of 2010. So this is even like pre-craft beer? No, craft beer. You know, here's the— you know, you make a lot of mistakes and you make a lot of bad assumptions. So At the time, we had, we had talked about craft beer, and that kind of led us down the path. Because I remember telling or mentioning to Dave, like, look, we can name some local craft beers, but you can't name any local spirits. There are all these big companies. And since there's 4 breweries already in Columbus, Ohio, that's overplayed. There's no room for anymore. Yeah, yeah, yeah. Which is— that's the mistake we made. We were sure that, like, Well, you got Barley's and you got Columbus Brewing Company and you got Gordon Biersch and you got Elevator. Like, we don't need any more. Like, that's it. And clearly we were wrong with that, and that industry has boomed. But at the time, like, that was the initial conversation around it. And so you had two guys that didn't know how to distill and really didn't have any money and thought maybe we could do this. How would we do it?

J**Jason Duff** 15:14

It's the American dream right there. Right. Yeah, that's awesome. Tell me, so, you know, part of this podcast is— a lot of this podcast is aimed towards entrepreneurship just in general. And we've had previous guests on talking about partnerships. And, you know, in our conversations in the past, there's good and bad things. But I know you've had, you know, you mentioned you starting this with your buddy, which is what we find, you know, a lot of first partnerships are with, you know, friends or family. And I know you guys have worked through that partnership well from, I believe, our previous conversation. So Tell us a little bit about your experience working with a partner and kind of the progression of that and kind of where you're at today with it.

G**Greg Lehman** 15:53

Yeah, I think it's, it's really important picking your partner, and I had no idea the power of picking the right partner when I started. I think again, I got really lucky. Dave Rigo turned out to be As far as working with me and our styles together, one of the best partners I could have picked. Um, and, you know, we definitely, um, knew when we started talking that we both had energy for it and we were both excited about it. But I think most businesses, when you're, when you're starting out with a partner, the reason you go into business together is because you have the same energy and the same, the same fire. But, um, I think the things that really made Dave and I work are on a, on a few different levels, and I've thought about this a lot, but But, you know, if someone was asking me about picking a partner, I would say, look, you really have to understand how you work together. And I would almost recommend do a small project first before you jump into the bigger project. Yeah. And see how you work together and see, you know, how you, how you both react when there's stress, how you react in the good times and how you both view money and how you view growth. And I mean, it truly is almost like a marriage or as complex as a marriage because You're spending a lot of time together. You're, you're chasing really passionate goals together. You're managing big amounts of money, bigger amounts of money, huge amounts of money depending on if you're being successful. And so understanding how you're all going to— how you're going to react in those is really important. And I think some of the things that made us work were just we both had the ability to see ourselves and have a good view of you know, what we were good at and what we weren't good at. And we were both able to see the skills of the other one where they were great and where we could fill in gaps with each other. And then I think we both recognized that— and I should actually say this other thing first. I think one of the most important things was we both had the same motor or a very similar motor. And what I mean by that is we were working just as hard. So when Watershed was in its formidable years, when it was really coming up and we were trying to make it go, we would pretty much wake up in the morning, both arrive at Watershed within 20 minutes of waking up and be there until we couldn't work anymore, which was about the same time for both of us. And we'd go home and go to sleep. And to find somebody that's wired to do that with you, it's rare. It's rare. And if you're doing it and you're looking across the table and the other person isn't, then it creates all kinds of problems really, really quickly. And we noticed that there were times in our partnership that one or the other one had other stuff going on that was a little distracting. And so, you know, we, we were able— and that brings us to the next— brings me to the next point. We were both able to be really open and honest with each other. And not afraid to get really mad at each other and not afraid to go quickly and say, look, I'm sorry, I get why you're doing this. You're super passionate about the business. You own the business just like I own the business. You think your idea is great, I think my idea is great. Like, I'm not mad that you're mad. Like, how do we move on? And so we both had this, and really I think I kind of learned that from Dave, the ability to walk back in the room after, um, there was tension and say, hey, you know, I'm sorry, like, that wasn't, that wasn't the greatest thing of me to do. And so like, I saw him doing that and I was like, that's, that's pretty powerful. And so I think I— maybe if he was here, he wouldn't say I adapted that quickly, but I think I, I think I'm on the phone later. I think I adapted that quickly and was able to see like, yeah, all right, I get that. We're both— you get in the moment, you spend enough time together, you're going to get fired up. And so how do you put that aside and say, well, we're both trying to go the same direction, how do we get there? So yeah, I think, but ultimately, you know, you really have to be

sure that you can work together. And even so, like, I think, you know, priorities change. And I mentioned this, us working at the same speed. And, you know, there were life changes that caused that to change. And if something shifts dramatically, you know, you might have to really decide, like, hey, we have to do something different. And, and sometime around 2017, Dave came to me and said, hey, I don't want to run this fast anymore. Um, I think you should buy the business from me and keep going. And so to, to create a really short version of that, that's what happened. Yeah. Um, and it took some time, and it took a lot of negotiating, and We both did it in really good faith and worked hard to make it happen. But it was— I mean, I remember really struggling through that time, not knowing what it was going to be like without Dave, not knowing if I could do it, not knowing how to do it. And so, you know, there was a lot of concern when you start this thing and everything you own is in it and it's balancing, but it's working. And then half of you is like, "Ana mao." Like, go. Like, whoo, all right, I don't know how this is gonna work. Yeah, but, but he really worked hard to, um, and one, one of the things that I, you know, I think is amazing about him, he worked hard to make sure that until that paper was signed and he was, um, fully out the door, he was 100% in. And there were a lot of things like that with, with both of us where we did what we said we were going to do and kept up our side of what we said we were going to do. And I, you know, that, that makes a huge difference.

J

Jason Duff 21:49

I think it also establishes culture, and that's one thing of being a customer of your business. I've been a patron in your restaurant. I've been a patron of buying from your retail store. And then on the wholesale side, we've bought wholesale products to serve in our restaurants. And one thing that I think continually comes around of the interactions that we have is that you have hired great people. Yeah. What's your secret?

G

Greg Lehman 22:15

I love, I love that you say that. I mean, we consider our people, um, the number one thing we have. I mean, that, that is the, the brand. The people are the ones that exude the brand, that tell the brand story. Like, they're an extension of us. And I think, you know, we have high expectations for our people here. And I've talked to current employees, past employees, and they say it's challenging here. We learn a lot. It's hard work. But I think they're excited about what we're doing. And we kind of all have this same thread of if we're doing something, we want to do it the best we can. And I think that's what we look for in people. I mean, again, that makes a huge difference if someone's coming to try to do their best. It's amazing if you let them, if you get out of their way and let them go, what they can do. And I have to give a quick plug to Tommy because he is—

J

Jason Duff 23:14

the girls actually call him Tommy Watershed when he comes up. But that dude goes above and beyond for us at the restaurants.

G**Greg Lehman** 23:21

Yeah, Tommy's something special. And we just went up there and did that dinner with you all. That was a fun night. And he, yeah, he thinks of every detail and he really truly is invested in the success of customers.

J**Jason Duff** 23:31

Yeah.

G**Greg Lehman** 23:33

And so it's fun to see that.

J**Jason Duff** 23:35

Yeah. Well, you know, beating the odds, you mentioned a lot of things about, first off, starting a startup and surviving the 5-year mark. I think the statistic of new businesses that start up, especially small businesses, the failure rate is almost above 80% in the first 5 years. And the second thing that's really hard to navigate, but it can sometimes— and I think you shared by evidence— is your biggest strength as a partnership. Partnerships are tricky, and I think you did a great job of sharing it's like a marriage. But, you know, meeting Dave and seeing how his skills complemented you allowed you to expand and grow. And that's kind of the next thing, is that scaling— like, and then scaling to a point where you have an exit or a sale. Can you kind of speak a little bit? At what point did you decide, man, we need a restaurant, or we need to— I know COVID required a lot of pivots, but like How— kind of walk us through the scaling and the, the growth of Watershed.

G**Greg Lehman** 24:32

Yes, so I think that's one of the biggest challenges for an entrepreneur. You start out, and the people that can get the business off the ground, and that skill set is a lot different than the skill set to manage a team and let the team grow. And I think about when we started, my day consisted of coming in, turning on the still, running the bottling line, going down the street, calling on customers, coming back that night, giving 2 tours. And it was— I knew at the end of the day, well, I bottled this many cases and I distilled this many gallons and I sold this many bottles. And, you know, it was probably 6 or 7 years in, and I remember telling the story to someone and saying— because someone asked what I did that day, and I was like, I was just in meetings. All I did was meetings. And yet we're growing faster and selling more because you have to— the skills that got you there are different than the ones that'll take you to the next step. And so I think navigating that has always been a challenge. And we were fortunate enough to, when we started hiring people, hire really good people. But I'll tell you, one of the key learnings that I had in the scale process was when Dave was still here, we were really, we controlled everything. He and I controlled everything. We made all the decisions. We held the books tight, the numbers tight. And the team would come to us and say, where are you going? You know, where are we going next? What's the future? And, you know, he and I would meet— it wasn't literally like this, but we'd kind of meet and we'd be like— I'd be like, we're going this way. And he'd say, we're going this way. So we'd tell the team, all right, we'll agree that we'll go this way. And so we tell the team that. And so they're, they're kind of in the dark, but we were pulling all the strings. Well, when he left, um, two things kind of happened. One, I knew that I needed their help, and I knew I'd have to put key people in charge, and I'd have to have that team— they'd have to see everything, all the numbers, everything. And the other thing that I didn't know right away but I learned quickly was— so I told you at the beginning I would have 500 ideas and Dave would find the two that were good. Well, the first 3 months that Dave wasn't here all 500 of my ideas were good.

J**Jason Duff** 26:41

They were all amazing.

G**Greg Lehman** 26:43

And I remember stopping. Yeah, I remember stopping one day and I was like, guys, wait a second. Like, you can't like all my ideas. Dave always told me that, you know, there's only two good ones. Like you. And so I had to find a way to get them really comfortable saying like, no, no, no, we're not going to do that.

J**Jason Duff** 27:01

No, wait on giving you authentic feedback.

G**Greg Lehman** 27:03

Yeah, real feedback. And so it turned into us running it to all the numbers are on the wall. They have the power, the authority to run their departments, to run their own P&Ls, whether it's the restaurant or the sales team, um, or production. And, uh, it was interesting because we kind of, we kind of had a learning 6 to 12 months where it was, it was a little bit tough. And I remember the restaurant specifically, it was about 9 months, 10 months after we bought Dave out, and they were— I had to sit them all down, and we're looking at the numbers, and we're like, guys, we, we're struggling. And so we started really digging in, and, and they started suggesting changes and making changes, seeing how that worked. And we had the best, um, fourth quarter that we ever had. Like, we really— like, they really turned it around and did an amazing job. And so it was cool to, to change my style and see. But I was— it's almost like if you're just going along and you don't have a big thing like your partner leaving, it's hard to wake up and see that you got to make a change in what got you to that point. But that was— I was fortunate that that happened and was able to see like, oh, I'm gonna have to do this different. I need all these people to really be making great decisions. And, and I think I was okay at that point of like, there's no way I can do it, so I'll let them make a few bad decisions and learn. Um, but because I think that's always the hardest part. Like, when you let go and let them run it, it's hard.

J**Jason Duff** 28:29

Best learning though.

G**Greg Lehman** 28:31

Yeah, mistakes, right? Yeah, yeah, they learned from it. And I look at Andrew, who's running my restaurant right now, and he started on day one. Uh, he was the general manager and we had an executive chef, but, but I was always pretty involved. Well, I take that back. Um, I was involved at different levels. Dave was— Dave was more involved right at the beginning, but it was always one of us pretty involved and you know, but today, like, he's, you know, running the restaurant and he's going over the numbers and he's pushing on the team and he's, you know, holding them accountable. And so, you know, it's fun to see that. And it also allows us to grow at a faster clip because I'm not trying to— they're not waiting on me to do everything.

J**Jason Duff** 29:12

Owning restaurants, it's kind of easy to own and run a restaurant. Simple, right? Is that what you said?

G**Greg Lehman** 29:17

With a straight— said no one anywhere.

J

Jason Duff 29:19

Yeah. But can I tell you that— tell me about— because this is me from the outside looking in— the genius of having a restaurant is the creativity that you can explore in designing cocktails. And you kind of have a lab that you can involve your customers in and giving you feedback that as you're working with your distributors, you can share what's selling or what's working and help them be successful. Like, that's just me from the outside. And maybe you say that wasn't our intended plan. Or maybe you say you picked up, that's what we— why we do this.

G

Greg Lehman 29:51

Yeah, no, you're nailing a few of the points there for sure. And the restaurant itself is interesting because, you know, when we started the distillery, I remember having a conversation with my wife and she'll remember it too if she was here.

J

Jason Duff 30:04

But we're inviting her next on the podcast.

G

Greg Lehman 30:07

So yeah, Lee and I bring them both.

J

Jason Duff 30:08

I do think a spouse episode would be— oh gosh, we'd be in so much trouble. Let's go through all of our guest list and have the spouse on. She could just sit over there and be like, poopoo shit. You've got the button for that.

G

Greg Lehman 30:23

Yeah, you can beep her out when she says that.

J

Jason Duff 30:25

There you go.

G**Greg Lehman** 30:27

But no, so at the beginning, I was crystal clear, like, hey, we're never— we're not going to be in the restaurant business. We're not in the— we're in the industry to sell to them, but we're never going to be in that business. And then fast forward a few years and a few cocktails, and we decided, like, oh, we should totally have a bar here. And then bar turned into bar with food trucks, and then bar with food trucks— you know, this is all the idea. We never had that set up, but then it turned into, well, if we're gonna do something, let's go all the way and let's have the food match the quality of the spirits and the cocktails match the quality of both. So yeah, we went all in, and it's a great way for a consumer to come in and experience our brands, experience it in a cocktail, experience it, you know, just neat, however they want it, and, and pair that with food and give them a reason to bring others in to experience it. And so it really was built on this consumer approach. And then the piece you're talking about, where you have this great, um, platform to bring other restaurants in to make cocktails for them, to bring distributors in, to bring different partners in the industry in and be a part of it as well— that, that's been huge. And I can't say that I had enough foresight to see that at the beginning, but it's something that's been tremendous for us.

J**Jason Duff** 31:38

Well, uh, we had Wilson Reiser from Wine and Chocolates and Coffees on the podcast last season, and one of the things that he brought to me as a gift as an experimental taste tester, which I'll always volunteer for anyone food and beverage, were these cherry cordials that had Watershed— I believe it was bourbon that was in them. Let me just tell you, some of the best things I've ever put in my mouth. Yeah, really, really incredible. So You, you do a lot of collaborations and partnerships. Like, tell us about, like, why that's important for your success.

G**Greg Lehman** 32:13

Yeah, well, Wilson's great, and Weinans has been an amazing partner, and, um, they may or may not be working on some other amazing—

J**Jason Duff** 32:21

I heard some rumors.

G**Greg Lehman** 32:23

There are some rumors I'm excited to have in the shop as well. Um, but those cherries are phenomenal. I love those. Um, so really, for us, you know, I mentioned, part of the reason for starting Watershed was to be tied back into this community. And so I love the community. I also love small business. And so partnering with other small businesses in the community, that's huge for me. That's what it's all about. And so you take some great products like what we're doing at Watershed and what Wilson's doing at Winans, and you find a way to do something together. It's cool. It's exciting. It's exciting for us.. And I always think, you know, if we're pretty jazzed about something here that, that we've made or we've collaborated, we think, all right, I think other people are going to be excited about this too. Yeah. And it's amazing, those candies, they fly off the shelf. We thought it would be a holiday thing, it's year-round. People love them, they want them. Um, so it's, it's exciting and fun. And, you know, I, I think, you know, whether it's them or there's some breweries that we've worked with over the years, uh, or coffee roaster, I mean, there's a lot of partners that we've that we found, and it's always fun to work with them because you're meeting someone who is passionate about what they do. I think about, you know, John at Ramble Coffee and, you know, buying a coffee roaster and leaving his job. I mean, it's similar to what we did. And so we hear— yeah, yeah, we hear that story and we're excited and energized about it, and you want to be part of that journey.

J**Jason Duff** 33:47

All right, at this time we're going to take a quick break to hear a word from our sponsors. Brew Fountains voted best beer bar in Ohio. Come visit their award-winning team in downtown Bellefontaine for fresh local craft beer, Soups, salads, sandwiches, wine on tap, and handcrafted cocktails. And they're always available to cater your next event with their box lunches and platters. Cheers to Small Nation. Big city dining in a small town. Now that's The Syndicate. Join them for fresh steaks, pasta, or seafood for dinner, or stop in for Sunday brunch to experience one of their signature dishes such as chicken and waffles, and maybe even pair it with a mimosa flight. Located at 213 South Main Street in downtown Bellefontaine. In our previous conversation, you spent a lot of time talking about how you are doing business with people that you know and you trust and things like that. What would you say to our listeners who are maybe trying to find those collaborators? How do you find those people?

G**Greg Lehman** 34:38

You know, I don't— I think when you jump in and you have a business in your, um, you know, I don't know, going through life if that's the right word, but like these opportunities, they just kind of, they start to pop up, you know, whether it's a conversation.

J**Jason Duff** 34:56

They're drawn to you.

G**Greg Lehman** 34:57

Not so, like, we might be drawn to them too, but it might be like, hey, we, we noticed that, um, people are aging coffee beans in a whiskey barrel. And so then, you know, my buddy's starting a coffee roaster, like, hey, what, what if we, what if we did this, you know? And the conversation starts, or, um I remember we went down to Bourbon Trail in Kentucky and they were pairing chocolate with bourbon and we were like, it blew our mind. We're like, that's amazing. Why aren't we doing that? And so we got back here and my buddy Shane Wyand had always, when he was in high school, he worked at Wyand's and he always talked about the family. And so I remember sending Shane a text saying, Shane, we were thinking about doing some chocolate here. Can you connect me with Wynands? And he's like, absolutely. And next thing you know, I'm talking to Wilson. And this is amazing. When I called Wilson, he starts laughing and he's like, we have your bourbon and we're aging cherries in it. And we were about to call you and see if you wanted to meet to taste this project that we had. I mean, I can't make this up. And so then we were super excited at that point. And so within a month we were meeting and eating these cherries and talking about ideas and it just, snowballed from there.

J**Jason Duff** 36:13

Wow, that's incredible.

G**Greg Lehman** 36:14

So yeah, I don't know that there's one way, except that if you're going through life and you're, and you're experiencing and consuming these things in your neighborhood and you, and you're kind of paying attention, then you see like, oh, I like this, let's, let's do something.

J**Jason Duff** 36:28

Yeah. Well, and there's values or things that align with your company too that obviously attract you, you know, that— yeah, yeah, yeah, that's cool. And then on the flip side of that, What do you do when a stakeholder— like, how do you recover when maybe somebody that you care about or that you thought cared about you burns you? How do you recover from something like that?

G**Greg Lehman** 36:48

I've taken the approach and, you know, we all have our moments behind the scenes where, you know, you're frustrated when something like that happens. But, you know, whether it's a stakeholder—

J**Jason Duff** 36:58

and it will happen, by the way.

G**Greg Lehman** 36:59

Yeah, no, it does. It does. And, you know, whether it's a, you know, a supplier or a customer or an employee. And employees is a good example. We have been blessed with amazing employees, but every once in a while, you know, you think like, oh man, why are they doing that? We're a good company. And it feels like they did something and took advantage of us. And whenever I have that thought, I actually walk into this room and I look around this room and I think, there's no way, no way I could have done this myself. Like the only way I get here with all these barrels filled and all these bottles filled and all this stuff is if I rely on other people to do it for me. And clearly I had to pay those people, but clearly I'm coming— we're coming out way ahead on that. And not that— not, not that in an unfair way, but I think if you stop and really think about it and think there's a lot of really great people that have helped us get here, it grounds me a little bit in into that point of like, it's okay if someone takes advantage of us once or twice. Like, I'm not going to hold it against them. I'm not going to be mean to them. I want to try not to talk bad about them. I'm just going to move forward and I'm going to keep treating them in a nice way. And, you know, I'm not— someone burns me once or twice, I'm not going to keep doing business with them. Like, you know, I'm not— yeah, not— I'm not looking for a beating. But at the same time, I'm not going to lose a bunch of sleep if Yeah, if it happens, I move on because ultimately that's probably just taking energy away from you.

J**Jason Duff** 38:26

If you— time and energy, right? And time is— it moves so quickly, so fast. And that brainpower, because, you know, just like you mentioned, that's how early you get up. You're always processing, you're dreaming, you're planning. If those people hang in your head, they're actually costing you more, right?

G**Greg Lehman** 38:41

No, that's a— that's a great perspective. But you're absolutely right. You can't— you can't let them drag you down. They've already done enough. Move on.

J**Jason Duff** 38:49

Well, I know we're getting, uh, you know, heading towards the, the end of the episode, but I am really excited to talk with you about something, some big news that was shared, um, you know. And this is another kind of rite of passage that I think a lot of us that are entrepreneurs like hope someday. You're either kind of building something for a lifestyle business, but you kind of have this idea that someday you want to see it transition to someone else, or you want to have an exit where you can, you know, sell and see that next buyer move on and do bigger things. But tell us about that news.

G**Greg Lehman** 39:21

Yeah. So just a few months ago, we were purchased by a— believe it or not— a Swiss company.

J**Jason Duff** 39:29

Really? Full circle. Wow.

G**Greg Lehman** 39:31

Which is wild. And, you know, we weren't looking to sell. Now, we had a plan to grow our business. And I, with the leadership team, we had talked, you know, 2030 was our goal. We wanted to get to a certain case volume, and we thought we'd be attractive enough at that point to, to attract a buyer. Um, but we were approached in 2022— it was just over a little over a year ago— by this company and, and started talking to them, and their values aligned, and what they were looking for was really unique, and it lined up with about what we were as far as in terms of size and our product mix. And so you know, this conversation started. And, you know, at first it was just, well, I, you know, I like to learn. I'm a small business owner. I like to learn. Like, I want to see what these guys have to say. And, you know, we'll probably learn a little bit, and then they'll go on their way, and we'll keep doing what we're doing. And, you know, after a bit, it got really serious, and they put some numbers in front of us that were exciting. And so we started working on a deal, and both sides stayed excited all the way to the end until we were shaking hands and July, we got a deal done and officially sold the business. And I think one of the most exciting parts for me was they wanted me to stick around and run it. They wanted the whole team to stay. And basically they said, look, we love what you're doing, we want to help you take it to all 50 states. And they're in 10 countries around the world, so these countries they want us to go to as well. And so it got, it got exciting because for me it's almost the next step in my journey of You know, you got this business started, you got it to a certain point. All my life savings are tied up in the business and it's really hard to scale at this point because without going out and raising outside money, it's going to be hard to scale. And so with this partner coming in, it solves some things and allows me to move to a stage where I'm working together with them to scale this business, which is exciting. It's fun. They have some infrastructure and some funds to go do it.. And so it's not just me against the world trying to do that. And so, yeah, it's, you know, we're right in the beginning of it. So it's hard to say like what that looks like and what the path is, but we're in the middle of it. We're trying to figure that out and it's exciting.

J**Jason Duff** 41:51

Congratulations. That's awesome. So the emotions of that, you kind of get the— we all have the idea as an entrepreneur, we want to get to that peak. The deal happened. You signed the closing paper. There's probably a wire or money that exchanged hands. How did you feel? And I know you're still working in the business now, but like, did you take time to celebrate that, or is it more just kind of doubling down? Like, how, how are you processing all this emotionally?

G**Greg Lehman** 42:17

Yeah, that's exactly the question to ask. And so it's— I'm going to rewind a little further below before that. So You know, we started talking to him last year, and so my wife and I would, you know, we'd have this conversation, recurring conversation, like, what if it really happened? What do you think? Like, we're gonna sell the business. Like, this is crazy. And I remember having the conversation, and, um, I think the — they started talk— we started talking in August, and they came out in September, and then they were out again in October. And this is of last year. And in October, we were having the conversation like I think they want to move fast. I think we're going to have the deal done before the end of the year. Like, we're going to have this thing sold. And so then there was this— like, it got really, really hard because we were running the business, trying to hit numbers, trying to grow the business, and starting to scramble to pull all the stuff together for them and starting to have this— we're putting all this effort into the deal. What if the deal doesn't go through? And so Mentally, it was really, really challenging. And we ended up telling my kids what was going on because I have a 15-year-old and a 13-year-old, and they've been amazing through this process. But, you know, my wife, she knew what was going on. And so she was like, you know, encouraging and like, even though I'm working crazy hours, because you look at the months of, call it March, April, May, and June, like I was working almost every weekend. It was like startup days again. To make this thing go. And we told my kids in May, and they were amazing about it, and they were great about it, and they were kind of funny, and it was a good conversation, and they were excited. And so then fast forward, you know, a few weeks, and it seemed like, you know, if I wasn't at work, they'd look at me and go, 'Is everything okay? Is the deal done? Go get that deal done. I get your story.

J**Jason Duff** 44:05

Get your ass back to work. What are you doing?' That's hilarious.

G**Greg Lehman** 44:10

So anyway, when the deal got done, It was a little like it wasn't as crazy as you think. Like, because there was so much buildup and so much anticipation, the actual call to finalize— like that week of it, like we kind of had all the ducks in a row. We were waiting for one or two more things. And then the day of the deal, we had this big call with all the stakeholders on board. We all get on this call. We have like— I forget if it was an hour scheduled or something with all the attorneys. And 5 minutes in, the lead attorney for the other side is like, Greg, do you agree to all the stuff and releasing the documents? And I said, yep. John, for the other side, do you agree to release all the documents? He said, yep. And he's like, okay, we're done.

J**Jason Duff** 44:53

Thanks. And I was like, that's it? That's it.

G**Greg Lehman** 44:55

That's it. We're done.

J**Jason Duff** 44:56

So start to finish, though, about a year.

G**Greg Lehman** 44:58

Yeah, it was about a year. And so then, you know, you had this, this— we got the deal done, we got the money transaction all went through, and you know, you had this, um, this— the emotional side for me was one more of just like relief, like I made it to the end, even though like the journey's starting. Like we were just working so hard to get to that goal that, um, it wasn't one of huge celebration. It was like I needed to recover. And yeah, unfortunately, like I haven't had any time off since then because I was really focused on the team and making sure, like, I can't just leave because they're, they're going to learn about it for the first time. And I want to make sure that they feel supported and they understand what's going on. And I need all of them. I can't have any of them leaving. And so I actually have time planned. We're in 2 and a half weeks, we're going out to Sedona. We're going to be out there for 10 days. It's going to be amazing. And yeah, I'm really excited about that. But yeah, it's, it's, It has been, uh, you know, a little bit — it's been better since the deal's done because I have some of that weight off of me. Um, but it's been interesting to like build back up to that momentum of like, all right, what's the next thing that we're chasing and how to get there?

J**Jason Duff** 46:16

But yeah, Adam and I've had a lot of conversations about, um, feeling like you're never enough or feeling like you, you're, you're, you're— there's always someone that's going to outpace you. It's a little bit of low-level anxiety that some of it is very healthy for for us. But, you know, that idea of arriving is— it's a shift. It's a shift. And so I just appreciate you sharing that, and I hope, um, that time is— you do celebrate. And just, you know, because we're— and I think a lot of people that are listening, we're celebrating with you because many people have, um, you know, been running the marathon, and, uh, there's a lot of sprints in between that marathon, but like, just crossing, that's huge. But also excited for what's next.

G**Greg Lehman** 46:57

So Yeah, and I think you're right. Like, there is this, you know, that resonates with me when you say this anxiety of like, I need to be running, and what is next? Where, you know, there's, there's, you know, we've, we've hit this revenue mark with Watershed, I got to get to the next mark. And I— never enough. I know that drives the success, but there's also something that's, that's challenging with that because, you know, you look at like what are we chasing? What am I chasing and what's it for? And, you know, that's my wife and I've been talking about that some. And like, you know, our kids are in middle school and high school and, you know, pretty soon they're going to want to move out and, you know, as they should, I hope.

J**Jason Duff** 47:41

I think they might stay with you.

G

Greg Lehman 47:43

But, you know, like, so I think understanding that some of it's healthy, some of it isn't healthy, and trying to find that balance is key.

J

Jason Duff 47:53

And kids and family and just getting older in general, I think, changes a lot of things.

G

Greg Lehman 47:58

Yeah, remember when we were in our 20s, Jason?

J

Jason Duff 48:00

Yeah, we're not there anymore, Adam.

G

Greg Lehman 48:03

Yeah, it was just the other day.

J

Jason Duff 48:04

Yeah, exactly. Seems like— well, time, it does blink. You do blink. Yeah, that's cool. Awesome. Cool. Well, I have, uh, I just want to move into kind of a fun little segment here, rapid-fire Q&A round one. Here we go. First question for you is, what are your personal top 3 favorites of the product you sell?

G

Greg Lehman 48:22

I love our Uncut Unfiltered. I love our Four Peel Gin, and I love our Bottled in Bond Bourbon.

J

Jason Duff 48:29

Wow, you had those answers ready to go. I'm impressed. No, no, Chino.

G

Greg Lehman 48:32

Oh, no, Chino is amazing. It is amazing. I think I put them in order of like if I was pouring a drink tonight, what I would do.

J

Jason Duff 48:40

He's like, that's my game plan.

G

Greg Lehman 48:42

It's after dinner. You can't go wrong with the spinachino.

J

Jason Duff 48:46

Awesome. What's your favorite restaurant in Columbus?

G

Greg Lehman 48:49

Oh man, this is tough because they're all my customers.



Jason Duff 48:52

Yep.



Greg Lehman 48:52

And you're going to make me pick. You know, can I say Watershed? Sure.



Jason Duff 49:01

Yeah. You beat the system there.



Greg Lehman 49:04

Yes. Liverpool found it.



Jason Duff 49:06

Good. Cool. What position did you play in volleyball?



Greg Lehman 49:09

I was an outside hitter.



Jason Duff 49:10

Outside hitter. All right. How tall are you?



Greg Lehman 49:13

6 foot 1 inch.



Jason Duff 49:14

Oh, okay. I'm taller. I could play professional volleyball.



Greg Lehman 49:20

I did have a 44-inch vertical.



Jason Duff 49:22

Okay. Okay. You got me there. Outside of the US, what was your favorite country you visited?



Greg Lehman 49:29

I got to go with Switzerland. So many amazing memories and friends. And, you know, it's a beautiful country with, with the mountains. And the lakes, and it's, it's, I love it there.



Jason Duff 49:39

Yeah, makes sense. And then the last question is, uh, do you do public tours of your distillery?

G**Greg Lehman** 49:44

Yes, we do. We love bringing people through. We have some tastes along the way. You see that it's the still, the barrels, the bottling line, all of it. Yeah, you kind of get to go behind the scenes.

J**Jason Duff** 49:54

Awesome. And if you, if you're not watching the video, uh, of this podcast, I encourage you to go check it out because we're standing or sitting in front of all these awesome barrels. Great spot you have here, but I'm going to kind of move into our closing questions, and that is, what is one professional development resource that was helpful for you along your professional journey?

G**Greg Lehman** 50:11

One thing that I think is— it really changed how we hold our teams accountable and how we run our operation is EOS. It's the Entrepreneurial Operating System. There's a book called Traction that explains it, and it's— by an entrepreneurial operating system, that maybe makes it seem more intimidating than it should be. It's really a series of meetings and way to run those meetings that's super efficient, very thoughtful, and helps hold people accountable and gives your team the dialog and the vocabulary or the platform and the vocabulary so that you're all speaking the same language. You all know what expectations are and you all can perform at a level that's acceptable. And really, you know, as employees, I can say that now because I have a boss. Yeah, we, we want to be great at our jobs. We want some, some autonomy and we want to feel like we're great at our jobs. And this system not only sets expectations, but it creates a platform and a place where you can be very successful at your job. You know exactly what's expected. You review that weekly and you have all the resources and all the time you need to make sure that with the appropriate leadership, to make sure that you have the resources you need. And so it— I think it's a great system.

J**Jason Duff** 51:30

Yeah. Thanks for sharing that. I love asking that question because there's so many resources out there, but it's cool to hear which ones people have fully taken advantage of and implemented and it actually made a difference in their business.

G**Greg Lehman** 51:40

And I will say, like, we worked with an implementer, so a coach, the first 2 years of that. And I think if you're going to go down the path, I would highly recommend. It seems a little expensive, but every dollar's worth it.

J**Jason Duff** 51:53

Yeah, thanks for sharing that. And the last question for me is, where can people follow you and your business to keep up with the work that you are doing?

G**Greg Lehman** 51:59

So, uh, we have an email newsletter. That's the best way. If you get on our website, watersheddistillery.com, you can sign up for the email newsletter. Anything exciting, fun in the restaurant, the distillery, we, we talk about it in our email newsletter.

J**Jason Duff** 52:14

Yeah.

G**Greg Lehman** 52:15

Awesome.

J**Jason Duff** 52:15

And Jason, you want to— Greg, just, uh, I would— you're mentioning, and I love the ties. First off, we called each other today. If you see, we're wearing the same thing. And as we walked in, like, we had a moment because we're now wearing these new On Cloud shoes, which, listen, we're not— they're not a sponsor or anything, but they should be because of the best shoes that you've ever—

G**Greg Lehman** 52:33

they're amazing. I love these things.

J**Jason Duff** 52:34

Well, one of my favorite countries in the world is Switzerland, so I was excited to hear your story. And I remember traveling there when I was pretty young, and I got to experience a Victorinox Swiss Army knife. And I literally, as I'm— you're telling your story and sharing all this great advice about partnerships, about growing a company, about adding new business units, all of the things that you are is you're like a human Swiss Army knife. Because really, what it takes are all of these different skill sets and tools. And I just— I admire you. I know we kind of opened up with that, but like, you're— I think today You know, just thank you for sharing with our listeners. And I'm also excited to see how Watershed, and with your leadership and support, is going to go to the next level. But I'm also excited to see what's next in your entrepreneurial journey because I think you've got a great act too with a lot more things on deck with the skills that you have.

G**Greg Lehman** 53:31

Well, thank you. That means a lot coming from you. You've done some incredible things yourself, and I'm excited about what's next. Thank you guys for having me on.

J**Jason Duff** 53:39

Keep up the good work, Greg. Thanks.

E

Ethan DeLeon 53:41

Thanks for tuning in on this episode of the Small Nation Podcast. We hope that conversation proved valuable to you, and if you enjoyed it, be sure to share the episode and follow the show on Spotify, Apple Podcasts, or your favorite podcasting platform. You can also subscribe to the Small Nation YouTube channel if you prefer to watch your episodes. Follow Small Nation on social media and we'll see you in the next episode.