Daniel Seed:

Hello and welcome to Big Ideas. A podcast from Texas State University. My name is Dan Seed from the School of Journalism & Mass Communication. We have a really fun episode this month, as we're talking whiskey. And when you think whiskey, we're thinking usually Tennessee and Kentucky, where 95% of the world's bourbon is produced and that's a distinction we'll likely get into during today's conversation. And you might also think of Ireland and Scotland but we're focusing on Texas whiskey and we're doing so as Steve Ison, a Texas State, then Tech Southwest Texas State alumnus and the founder and president of Rebecca Creek Distillery in San Antonio. Steve, thanks so much for joining us.

Steve Ison:

Hey guys, thanks for having me.

Daniel Seed:

So Steve, your journey to founding and owning a distillery, is pretty unique as you made the switch from working in insurance to founding Rebecca Creek in 2009, walk us through how that happened?

Steve Ison:

I'm not from the liquor business at all. I'm new [inaudible 00:01:14], knew nothing about. I was an avid consumer, not from the business at all, but I was working with a family insurance business my dad started in the early seventies '70s and me and my brother. And I always knew there was something bigger out there for me, just didn't know what it was. And I had some friends that I actually went to Texas state with, that were running a big distributorship here in Texas, called Republic National. And they were some of the executives and always want to get in the liquor business, but didn't really know how or what. And so I went to them and asked them, said, "Hey, thinking about getting in the liquor business. I want to start a liquor distributorship at first and maybe bring on some small brands and grow it up." And was trying to recruit one of those guys to help me start it since they know the business and they quickly talked me out of that.

Steve Ison:

They said that there's a reason why there's only a couple liquor distributors in Texas. It's just too much money and headaches and trucks and employees. What you need to do is, start a distillery and you need to make whiskey and make vodka. I slowly said, "What's a distillery?" I didn't even really know what it was. And they just laughed at me and they go, "We need whiskey made in Texas because right now we sell more whiskey in Texas than anywhere in the world. And there is none made here and there's only one or two other little vodka companies and they have all of the business. And so if you're going to do something in the business, we need you to make vodka and whiskey and you'd have a real good chance, being local."

Steve Ison:

I'm like, "Great." I said, "I don't know anything about that." I said, "I'm not a chemist. I'm not a brewmeister, I'm just a salesman but that's what you need, I'm going to go find it." So I was given their direction on what they needed. So I went out in the marketplace, did the research, went to classes, distilling classes, around the country and started putting together a plan to build a distillery. And so, I met a master distiller in one of the classes I was at in California, a guy named Eric Watson. There's only 150 master distillers in the world and I talked to him into coming down and help me build it and run the business plan and it help me put it together. And so he literally lived here for about a year, I put him up in an apartment down the street and I said, "Teach me everything you know. Let's put out the business plan."

Steve Ison:

And then he helped me pick out the equipment and work with the contractors and build it and then ultimately just have the still. So, it was like drinking out of a fire hose. Me not being in the business and I had to go raise money for this because it's very capital intensive. And I raised money in, literally, in the crash in 2009, 2010, there wasn't much going on as far as new capital investments. So I was lucky enough to put together a team of some investors and we funded the project and we built the first legal distillery in the South since prohibition. And so that being said, here in San Antonio, we built it. And we started really making vodka, which we called Enchanted Rock Vodka because vodka I don't have to age. I can make it pretty fast and put in a bottle and sell it, to help with the cashflow.

Steve Ison:

But the project was always about the whiskey. Started making whiskey immediately and putting it back in the barrel. But whiskey is a very terrible business model because you pay all your cost up front, all your materials, your labor, you pay taxes on it and you ain't sold it. You just sit there and watch it age in a barrel and makes you want to cry every day. It's, God, I could sell this right now." So vodka sustained the business, paid the bills while waiting on the whiskey. And the whiskey came about three years later and it was Rebecca Creek Whiskey. And since then, we have three brands now and Enchanted Rock Vodka, Rebecca Creek Whiskey and Texas Ranger Whiskey, three different separate babies.

Daniel Seed:

So you talked about, when you first got into this, that it was like drinking out of a fire hose, somebody that's a novice coming into this. From the production side, walk us through some of the challenges and maybe talk a little bit, I did read an article about your copper distilling pot that you purchased and the lengths that you went to get that and the fact that there was an incident with it or an accident with it, when you were distilling it or putting it in, give us a sense of those challenges that you faced?

Steve Ison:

Yeah. So when you open a distillery, you can't just go and say, "Hey, I need some distillery equipment." You can't go down the street to Home Depot and buy that stuff. Most of it's built overseas and so, I was referred to this consultant, he was called Carl Manufacturing. And they're a 150 year old company that makes stills and my distiller recommended them. And so they came over and specced it out and they literally built the biggest still for North America that they've ever built, it's a 1,000 liter still, that's a copper pot still, column still, that can make vodca, whiskey, gin, rum, anything with this still. But it takes about six months to make and it's all by hand, copper, and they ship it over here. Yeah. We were basically waiting on the still to get here and they came here and I was almost out of money and I couldn't afford a rigorous, like a crane, that helps lift things up and put it down.

Steve Ison:

So we thought we could do it off a forklift. We pulled it out of the 18 wheeler and we literally dropped and bounce about three times, the bulk of the still. I thought I broke it. I was literally on the ground, crying, "Oh my god, we're never going to do..." Because you wait six months to get [crosstalk 00:06:38] and you break it. But those things are built to last and it is a beast. I've had zero problems with that still. German engineers are amazing. And so, that being said, it's got a big old whiskey dent in the back of it and I always tell people on the tour about the whiskey dent, how it came about, but it is a joke, "You've had a couple of whiskeys and bump into things, yeah, it's a whiskey dent."

Daniel Seed:

Now looking back on it, it's a great story. But like you said, in that moment, you've invested everything in here, that you said that you got down on the ground and cried. What's going through your mind as your baby is coming in and you're going to be able to start doing this and, "Oh, no, it falls"?

Steve Ison:

Yeah. It's just a real quick heartbreak but once we start putting it together and it was more... Nothing mechanically get broken on it, it was just more cosmetic. Then I started feeling better.

Daniel Seed:

So 2009, you get this operation ramped up, but since then, in the decade plus, your distillery has grown to the point where your whiskey is moved beyond just Texas. It's sold in other States and was an official product of Super Bowl LI in Houston. You guys were the official drink in the Academy Awards back in 2018. Walk us through how you got from that guy who doesn't know anything about whiskey or distilling in 2009-ish, to this point where you're now in the green room at the Oscars, three years ago?

Steve Ison:

It was just a lot of hard work and luck and marketing. The problem was when we raised the money to build this, I spent it all on the equipment. I didn't really have any money left to market. And so I had to do what we call as redneck marketing, where we go and... Anywhere we could go and set up shop, like a Texas State Tailgates, we would set up shop and just sample people and tell the story over and over and over and just touch 1000s of people all over. That's what we did. It's funny because we took an old RV. One of my partners had 42 foot bus and we wrapped it and we had all our logos all over it. And we literally took that all over Texas and started rolling it out. And we would just set up camp and live in that thing. We couldn't afford hotel rooms, so we just live in there while we marketed and we'd just set a little tent outside and big events, we just set up and start slinging it and just built it by grass roots.

Steve Ison:

And so it was surely started getting some notoriety and I mean, since then we've grown to one of the largest craft distilleries in the country. We're probably in the top 5% and we'll do over a 100,000 cases next year. And so we're in 18 States. This is the craft movement. We were just ahead of the craft movement. When I first started, I went to the first distilling conference and there was literally maybe 20 vendors there and maybe a 100 people there, attendees. And I went to one two years ago in Denver and there's literally 300 vendors and 2,500 attendees. So things have gotten a lot bigger with the craft explosion.

Steve Ison:

So we were at the front of that wave, a lot of those folks that have gone out of business unfortunately, especially because of COVID. That being said, it was all about timing. And we just hit the market by storm and had a great story to tell. And we built a distillery to house people. I wanted the masses to come through, the people, to come through the distillery. And so last year we had about 50,000 tourists that came through and got to tour our distillery and taste our products. And we set up a venue here where it's like a winery. We have live music here, four days a week. We have big corporate events. We have big concerts, music concerts. So all of those things come into play to help grow the brand where people experience it and then they go back to Dallas or Houston or anywhere in the country and say, "Hey, I had this product. Do you have it?" And start asking for it. So it just evolves. It's like pushing a big boulder uphill, you push, push, push, and finally it gets momentum and you just grows off each other.

Daniel Seed:

And I want to get back to, a little later about what you talked about creating this venue and creating this opportunity for people to come in at the distillery and do all these events and tour and whatnot, but when you look at this explosion of the popularity of whiskey, and as you said, you were at the forefront of that craft movement. Why do you think that's happened, as we've seen it in the last 10 years? I mean, I can remember you can go into a liquor store and it was Jim Beam and Jack Daniels and the Big Boys. And now you go in and there's whiskey from Texas and around the country in these stores, what was the impetus for that? What caused that to happen?

Steve Ison:

Well, I think just like the beer movement, the craft beer movement, you had some people pivot and start making craft beer, and that blew up in popularity and the distillery business, there's a lot of distilleries out there making amazing products and stuff. And the thing about it is, 80% of distilleries do most of the business at their own place, like a winery, their own tasting room and that's up the revenue. Some are lucky enough to get distributed and have the wherewithal to get it out there and market and expand. And so, there's two paths to it but it just was the timing. And people wanted something different, they got tired of the European stuff, especially on the vodka, it's like, "I want to buy something local."

Steve Ison:

And then also the whiskeys, and so everything came from Kentucky, Tennessee, but I mean, people were making great whiskey all over the country now. California, Washington, Oregon, people just want the change and people act to support the little guy. That being said, craft has got a big space and the Big Boys caused the ankle biters, because we're biting at the ankles, but we're taking big chunks now. And so it's really, I love to see it, this with all the new brands, new crafter brands emerging and making a stance around the country.

Daniel Seed:

Now I want to get into the actual product, the drink, the whiskey, the vodka, and talk about that a little bit. And I'll ask these questions as somebody who likes whiskey, but inside baseball here, you're involved in the business. You understand this, you've cultivated this brand, you've cultivated your whiskey. So I'm hoping that maybe you could shed some light on some of these questions I have, that likely some of our viewers have. So when we talk about Texas whiskey, is there a distinction, maybe a palate or a flavor of the whiskey, versus what we get from Tennessee versus what we get from Kentucky, in the same way that we see with wines from different regions have a different kind of flavor profile?

Steve Ison:

When people are making bourbon, lot of times it's out of the same mash bill and stuff, and it depends where you age it but with Texas whiskey, it just emerged. There's some bourbons out there. There's some single malts out there. A lot of blends out there. And so there's all different types that are hitting the market. What we had to do is, different projects. We wanted blended whiskey. So I wanted a profile that's going to pull the bourbon drinkers and also the Canadian whiskey drinkers, onto my product. So Rebecca Creek is a hybrid in between a bourbon and a Canadian, it's bourbon-based and bourbon blend but profile, it's something in between. We did that on purpose to try to get both of those folks coming on and trying our stuff. It's worked well because there's so many... In Texas people like sweet whiskey, Crown Royal sells a lot of whiskey here.

Steve Ison:

And so, we wanted to play out that with Texas, they like sweet whiskey and stuff. So in that being said, Rebecca Creek, like I said, it's right in the middle but it's more of a bourbon style. The more of the bourbon drinkers enjoy it. And then I also created a Texas Ranger Whiskey, was completely different profile. It's sweeter whiskey, like a Canadian, tastes like a Canadian, a lot of vanilla, caramel, a lot of nuts in it. It's got some Rebecca in it, but it's priced less than Rebecca Creek and it's hitting a chord with the millennials. So that's their go-to with shots and just enjoying it on the rocks. And then we also have flavors with Texas Ranger. So flavors are the new thing with whiskey, which you would never think 10 years ago, but people like flavored whiskey now. So we made a coconut-pecan, peach, peanut butter cup.

Steve Ison:

I would have never dreamed of making that stuff 10 years ago, but it's amazing how the popularity of those, just like Fireball, it's come about and you shoot it and do different things with it and same concept. And it's hit a chord with a younger folks.

Daniel Seed:

So you brought up, just a minute ago in your discussion, about the profile of your whiskey and you brought up bourbon, so talk about a little bit, or explain to our audience the difference between bourbon and whiskey? The label, the name difference? What makes it a bourbon? What makes something a whiskey?

Steve Ison:

Well, just by law to make bourbon, it's got to be 51% corn. It's got to be aged in a new Oak barrel for two years. That's the official law that you had, to call it a bourbon but you can make whiskey with different mash bills. Ours is 22% rye or this number two yellow corn, also malted barley, in our Rebecca Creek. So it's just the different ways to make it. I mean, you can do a weak whiskey. You can do Canadian style whiskey, so single-malt whiskey. So there's all different types of whiskeys out there that people like, "Oh, what's the difference?" But not all bourbons are whiskey. I mean, they're all whiskeys but just the way the ingredients and how they age it, makes it unique in it's own right.

Daniel Seed:

Let's go into without giving anything away, the process. As you mentioned at the beginning, you're sitting on this product, waiting for it to develop, waiting for it to age, walk us through that. We buy it in the store and it's there on the shelf but behind the scenes, what are you doing? What is that process like for you?

Steve Ison:

When we first started, we came out two different whiskeys, so making two different whiskeys. One, we're making our bourbon. It's a rye-based bourbon but that takes longer to age and make, and then we also started making single malt. So we made single malt whiskey with five different malted barleys and we aged that for four and a half years and then we released it. So that was just a unique [Inaudible 00:17:24] started making it right away. To be honest, how we got in the whiskey businesses, I mean, basically we had to source whiskey at first, we had to buy whiskey from some of the big distillers and sit on those barrels and then blend that with our new make whiskey. And that's how we got started, sourcing that. We were transparent about it. We started making whiskey from day one, aging it. But to get it out there in the market, that's why I came with a blend first.

Steve Ison:

And with the blend, I didn't have to age everything and have everything from scratch. I could blend it with the whiskey we've made along with the whiskey I bought, with the same mash bill and so that's the thing about it. And then as surely as the years went by, I was able to put back more barrels and more barrels and then use your own stuff but that's how we got started.

Daniel Seed:

So what is that like? I mean, I'm not a super patient person, so I can't imagine what it would be like to create a product, put it in barrels, let it sit for years and then take it out years later and sell. What does that moment like when you put it away and then four years later, five years later, however long later, now it's time to sell it, walk us through that? And what does that experience like for you?

Steve Ison:

Well, first of all, it was a new experiment because Texas has never had any experience of aging whiskey. And so, we've found out that Texas is a great state to age whiskey in and because it has hot days and cold nights. So you're constantly contrasting in the barrel. We didn't know the proof too, what the proof would be. We didn't know if will evaporate, it was the unknown and these are an un-air conditioning warehouses. I was pleasant surprised. It really kept it's proof and didn't evaporate like I thought it would. And we were tasting it as we went along. So we knew, but you can't switch gears. Once you put that in the barrel, you're stuck with it. But if you stick to the same mash bill, the same form of... The same everything consistently, then you're going to get, most of the time, it's going to be right on, but little variance here and there, but not much.

Daniel Seed:

When Steve Ison walks into a bar or restaurant, clearly he's going to order Rebecca Creek. Right? But what kind of whiskey are you partial to personally?

Steve Ison:

The reason I like the rye base whiskey because it's got more spice to it. So that's what our profile is. It's got a little more spice to it. So that's just my personal preference, is rye-based whiskeys just because it's [inaudible 00:20:04].

Daniel Seed:

Sure. And so everybody has their own preference and as you mentioned, you have people coming in to the distillery, you're doing tours, tastings. If somebody's new to whiskey, how do you recommend them to discover their particular palate or their particular favor like? Is there a way that you guide them through the process of discovering different kinds of whiskeys, different flavors?

Steve Ison:

Well, that's one of the good things is because Rebecca Creek, it's a great introduction whiskey. Women are drinking more whiskey than ever before and so I wanted something that they can drink it and not have that whiskey face like, "Ooh." Rebecca Creek is a very good introduction whiskey. Now, since then we've come with some small batch bourbons, that's higher proof. That's stronger, people can gear up to that. But that's one of the beauties that Rebecca Creek, just it's profile and it's palette and softness, that people can start drinking it right away and enjoy it and not have to have an acquired taste like a scotch or whatever. They can jump in and if they want to go stronger and bolder, they can, we have that too. Or they could just just enjoy it. So just depends but it's a great intro whiskey, I would say.

Daniel Seed:

So you mentioned women and the growing popularity of whiskey among women. When women come to your distillery, when you go to these conferences to talk with other folks, why is that? Why is whiskey growing in popularity among women? What are they telling you?

Steve Ison:

Well, I just think that Buck is still a great category and growing category, and that's what most women drink, but people get bored and they want to experiment. And I think women are becoming more and more, as I see it around the country, more and more whiskey girls, whiskey ladies, that like bourbon, like whiskeys and are very educated about it and loves to talk about it. And that's the thing too. The name of our whiskey, we're the only whiskey with a woman's name in the world.

Daniel Seed:

Oh, interesting.

Steve Ison:

Just by accident, but that'd being said, it just gives more, I think, flexibility for women to jump in, at least our whiskey, but it's good to see the women are taken to that because it's just helping the category.

Daniel Seed:

So let's shift gears a little bit here and get into what you guys have done starting in the spring, when the pandemic first came to the United States. I was reading that throughout the life of the distillery that you guys have donated more than a million dollars or near a million dollars to charitable causes. And then last spring, you shifted production from your spirits to hand sanitizer, in response to the COVID pandemic, giving the hand sanitizer to first responders across the state. Why was that important for you to do?

Steve Ison:

One thing is, we had to shut down our tasting room, just like everybody else. And all of a sudden, I mean, it literally happened overnight, I mean, the sanitizer was gone, you couldn't buy it anywhere. And then there was some distilleries that were popping up, doing it, and they didn't have FDA approval or anything. They were just making it and helping people out. And more I thought of it, I said, "Why can't we do it?" I said, "We make ethanol alcohol every day. I store it. I keep it. So I think I could easily do it". So I had to do some research to get into it and then I guess just the crazy, I mean literally, the FDA saw that distillers were helping out and they gave immediate temporary approval to get into business, which is usually takes years, and so allowed us to do it.

Steve Ison:

And so we just said, "All right, let's jump in it." Invested in it, bought the right equipment. But I literally had probably 600 to a 1,000 calls in that first big wave, that people were desperate because it was out everywhere. First responders, hospitals, counties, everywhere. And so it showed us, "You know what? We're going to make all we can make right now, let's just give it away to first responders." So we literally gave it away. I mean the first month, everything we made, we donated, gave it to people, not only like just around here, but the City of Austin, the City of Houston, the City of Dallas, Fort Worth, Arlington, Arkansas. They were sending trucks down from all over and we were just loading them up. That being said too, though we donated the majority of it, we were able to sell some too.

Steve Ison:

So it was funny because all those people that I employed, tour guides, promotional girls, bartenders at the distillery, it's probably about 20 of them, that I had to lay off because we were shut down. Our production could continue, but not the tasting room part. So I was able to rehire them literally in two weeks, hire them all back. And put in them to work full-time and so we were just cranking it out. And so then we were able to sell it too until the demand stopped but we were able to recoup those dollars that we lost from our taste room being shut down. So anyways, just as a timing thing, we were able to pull it off. Now we just give that to our clients that need it, like the restaurant and bars that are trying to get reopened, so we just donate to them now.

Daniel Seed:

It is reminiscent of not just you guys, all the companies that did it from prohibition. When prohibition hit, the alcohol manufacturers had to shift business and they started creating other products using what they had on hand in order to help stay afloat. Clearly that helped you guys but it also went to some really good causes. So thank you for doing that, not only for our first responders and hospitals and people out there, but for your employees to not leave them twisting in the wind, really. It's such a tough time for the service industry.

Steve Ison:

Yeah. We were able to help Texas State out a lot too. They called desperate too, they're completely out. And so they sent a huge truck down here. We just said, "[inaudible 00:25:54], you can take all you want." So I loaded them all up and it really helped them. So I was glad to help do that, to give back a little bit.

Daniel Seed:

Always good to help back the old Alma mater, any way that we can, especially in a time like this. So now that we're, I don't want to say past it because we're not past it, but now that we're a year on or almost a year on, from the start of the pandemic here, how have you guys adjusted? You talk about the venue that you have and all these tours and whatnot, where are you guys now in terms of what you're doing in terms of those kinds of operations? How are things different? What can people expect if they're able to come out?

Steve Ison:

So we just said that the distillery, we're open again for about four weeks now. And so we're trying to get back to normal, provide live music, four days a week out here and there's a dog park, there's food trucks. And so, as the weather gets better, we're opening it back up. People are so bored, there's nothing to do. So the numbers is starting to creep up. We usually do about 1,500 events a year. Not only in Texas, but around the country and activations, events, sponsorships. We sponsored the Texas Rangers baseball, San Antonio Spurs, tailgates, Texas State, University of Texas, and [inaudible 00:27:11] and all that got canceled. So it was kind of a coup because people are stuck at their house and people are buying it for their pantry and so our sales have done very, very well this year, but then I don't have to do any of those events.

Steve Ison:

I never thought it would be there but it's helped us keep more profitable as well. It's not going to last forever, but the meantime, we just dumped it back into our own resources and social media and things that, to help promote the brands.

Daniel Seed:

Well, glad to hear that you guys are back open in regard to the activity at the distillery for the public. So lastly, Steve, give our listeners some information, where exactly is the distillery located? What do they need to know if they want to visit, things that are coming up maybe later in the spring, that you have planned or throughout the summer?

Steve Ison:

Yeah. So it's just real easy. You just go to our website, rebeccacreekdistillery.com. We have different Facebook pages for Enchanted Rock vodka, Texas Ranger Whiskey, Rebecca Creek Whiskey, but mainly the Rebecca Creek Distillery Facebook page has all the events that we do here, coming up, the artists that are playing here. And so we're just trying to get back open again, the corporate events that had some fundraisers out here with a couple 100 people, we're all outdoors. So people are spread out. It's very safe, but just encourage people that they're not going to be confined to inside a place. It's wide open on two and a half acres and would welcome folks to start showing up again, like we used to.

Daniel Seed:

Well, let's hope that we can. Let's hope people do here in 2021, for all of us and for you guys as well. Do you have anything else that you'd like to add or say?

Steve Ison:

Yeah, I got a lot of my experience, life experience, when I was at Texas State, I was in a fraternity. I was president of my fraternity when I was there. I was a TEAC. I was on the advisory council. And so a lot of the leadership skills I learned, all came from Texas State. And so, all of my connections. I never would have started the business without those connections and I just give kudos to the school and I'm lucky enough to be a board member of the foundation right now. And then my daughter is going to go there in the fall. So I'm real excited about that. Bobcat Nation, I'm just so glad to have her go there and her experience what I did. And I attribute a lot of the success that I've had just through my network of folks, who were fellow Bobcat's, has been an amazing ride. The Bobcat's.

Daniel Seed:

Thank you, Steve. Steve Ison from Rebecca Creek Distillery. Thank you so much for joining us.

Steve Ison:

Hey, thanks so much for having me.

Daniel Seed:

And thank you all in the audience for listening. This marks one year since we started this podcast, since we started airing episodes, and we want to thank all of you that have tuned in, no matter how you're tuning in, we hope that you've enjoyed the interviews and subjects that we've had. And we hope to continue for many more years with this. And especially this year, bringing you some more informational and informative podcasts and guests and subjects from the Texas State University community, here on Big Ideas. We will be back with you next month. Thanks again for joining us.

Speaker 3:

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