



SBA Success Story, exclusively from KeyBank

## Fat Head's Brewery & Saloon

### Customer

It was 2007 when businessman Paul Siperke and brewmaster Matt Cole decided they wanted to open a brewpub together. The demand for local breweries that combine craft beers with an eclectic food menu and a fun and relaxed atmosphere was really taking off, and the pair knew that it was a good time to get into the market. They found a location that suited their needs, lined up investors and approached a bank for a business loan. But then the financial crisis of 2008 hit and everyone, including the bank, pulled out. It was time to form a new plan.

Cole recalled Fat Head's Saloon, a successful craft beer bar in the town where he had gone to college, and wondered if they might be able to franchise the idea. He and Siperke approached the owner about the possibility, ultimately getting not only approval, but also another investor in the self-funded project. Fat Head's Brewery & Saloon, the first franchise location, opened in April 2009 and found quick success. A Gold award in the West Coast IPA Fest that first year put them on the map, and more than three dozen awards have followed since. In fact, Fat Head's Brewery is Ohio's most awarded brewery.

### Challenge

Fat Head's Brewery & Saloon enjoyed steady growth from the day it opened, so Siperke and Cole began considering a second location a few years later. They connected with a commercial real estate agent and kept their own eyes open but were not in any rush to make it happen until the right time. After about four years of watching and waiting, they were in a meeting with KeyBank about a different project and their Relationship Manager mentioned available space in a trendy new commercial development. They took a look at the opportunity, realizing it was exactly what they had in mind. The building was essentially an empty shell, something that appealed to the partners because of the opportunity to make it exactly what they wanted.

The discussion about how KeyBank could help them find funding for the new location began that day, leading to an evaluation of various loan programs and options. After having self-funded the first location, it was clear that a banking partner was needed to make the construction and outfitting of the second location possible.

### Success summary

**Company:**

Fat Head's Brewery & Saloon

**Industry:**

Brewpub

**Business challenge:**

Open second location

**Loan purpose:**

Fund construction and capital equipment

**Loan solution:**

SBA 7(a) term loan



KeyBank has been a wonderful banking partner, helping us realize our goal of expanding the business by walking us through a complex process with patience and expertise. Based on our experience, there is no question about working with KeyBank again.

**– Matt Cole, Partner and Brewmaster,  
Fat Head's Brewery & Saloon**

## Solution

Neither of the partners knew much about the Small Business Administration (SBA) loan program, though KeyBank explained it was the best option because of its longer payback period. As an SBA Preferred Lender, KeyBank has the expertise to walk customers through all the available options, creating a solution that fits the specific needs of the business. Fat Head's Brewery & Saloon secured an SBA 7(a) term loan that provided the necessary capital to make the project possible.

"The KeyBank team was great, helping us understand the requirements and meet the deadlines," notes Siperke. Cole adds, "KeyBank made the whole thing easier and provided a lot of great counsel. It helps to have people who know the program and the process inside out, because they can walk us through each step."

## Results

Siperke and Cole settled on the site at the end of 2016 and began construction in August of 2017, opening for business in March of 2018. The new location has some differences that tailor the atmosphere and experience to the community, including a few beers that are only served there. Where the first location has more of a farmer's market feel, the new one is more modern industrial. The partners hired an architect with whom they had worked previously, and contracted with a furniture company to custom design some of the furnishings for a unique feel.

Customers love the new brewpub, and it's clear that the location was the right choice. Things have been running smoothly during the setup and launch. "Having the right people in place is key. We have a great team that understands the business," explains Siperke. He also notes that the advantage of a good brewpub is that it provides a built-in test kitchen for new beers as they are developed. Additional locations are certainly a possibility in the future.

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