



rob AND cathy's excellent cooler venture

London's Black Fly Beverage Co. is creating a buzz heard across the province.

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photography by Jackie Noble

It's a beautiful late May afternoon, and the streets around the JLC are hot with pre-win Memorial Cup fever. A stone's throw from the media tents and swarming crowds, another hive of activity is humming away inside the shell of an old bank building at Dundas and Talbot.

The Black Fly Beverage Co.—a micro-distillery and arguably the city's most intriguing start-up in years—is in production mode, as it has been since before the all-important May Two-Four weekend.

Black Fly's owners Rob Kelly and Cathy Siskind-Kelly see a world of possibilities in their fledgling micro-distillery—the first of its kind in Ontario— but there's a lot of ground to cover before that world unfolds.

As the sun beats in through the west windows, a tiny legion of clear plastic bottles jostles along the conveyer belt of a spanking new bottling machine, heading for a quick spritz and a fill-up with a clear, rosy refreshment.

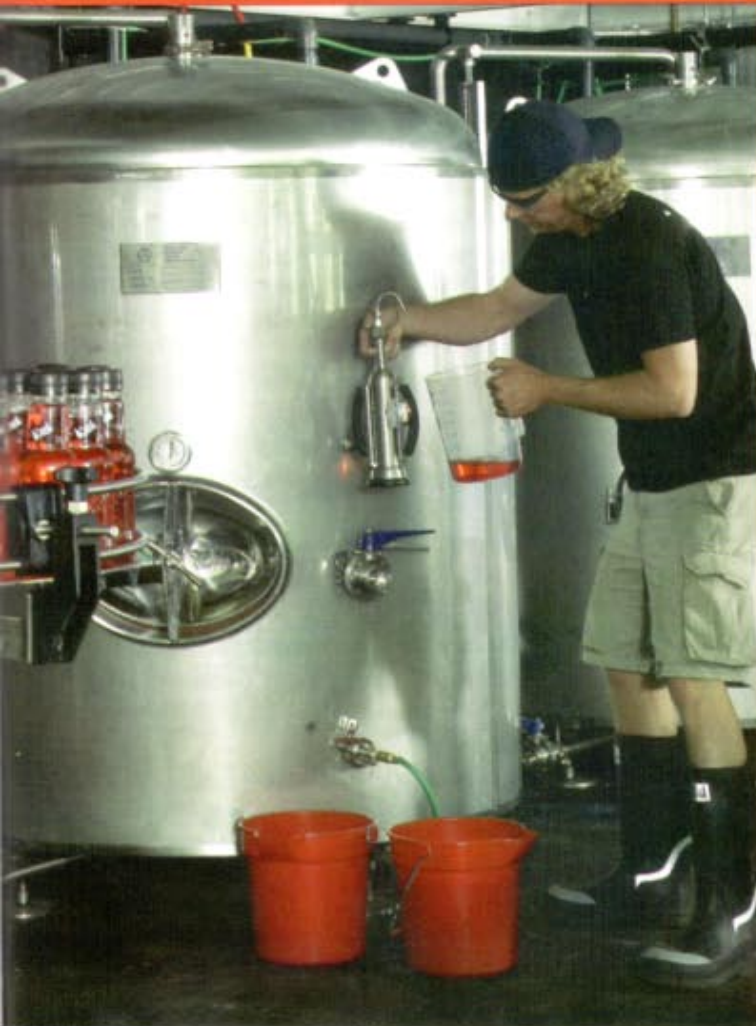
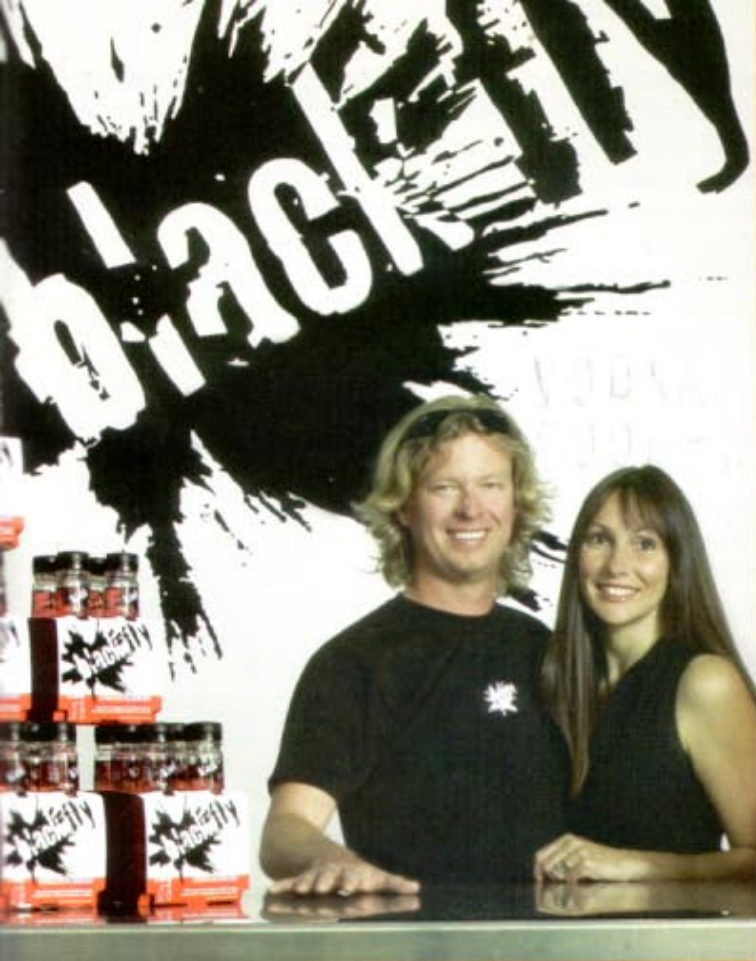
In the bottle with the berry-splat logo is Black Fly's all-season wild-blueberry/cranberry cooler. From its name to the ingredients to packaging, Black Fly has been carefully positioned as a true Canadian premium cooler. The inaugural recipe went through countless kitchen-table tastings and focus groups before hitting on the winning concoction's "more-ish" quality that leaves you wanting more.

Indeed, just two weeks into production, 'more' is already what people want. From Windsor to cottage country to Kingston, it seems LCBO outlets can't get enough product on their shelves. After two years of everything riding on the success of Black Fly, this is very good news.

Back in London, the production run marches on—putting out up to 8,000 bottles in 12 hours.

The curious peer in under the plant's garage door off Talbot Street to scope things out. Some ask for a sample. Others think it's a bar. Local restaurateurs want to know if they can buy direct. Still others inquire about bottling different things for them. After dark, folks in the JLC's line-ups can catch live or DVD footage promoting local artists, musicians, animators or filmmakers, complete with sound, projected onto the building's high windowscreens—Black Fly's active billboard. Even before the cooler was out of the gate, Black Fly began sponsoring a pro wakeboarding team from Muskoka. Their DVD is also screened up there, an ideal lifestyle tie-in to the product.

clockwise, from top clockwise from top left: At their downtown HQ, Rob Kelly and Cathy Siskind-Kelly don Black Fly wear in front of the dynamic berry-splat logo, designed by Hall Associates; custom-made, Italian bottling equipment can put out up to 1,000 bottles per 12-hour run; Rob Kelly on tap, the Black Fly story will be featured in the fall on CBC's *Venture*.



Says Rob of being downtown, "We could never have afforded this level of exposure in traditional media in the short term. We may pay a premium for being here, but we're gaining much more."

"We are in a fishbowl here," he adds. "We're getting used to it."

Certainly, between their location and Black Fly's astute marketing choices, life in general has become a big ol' fishbowl for the Kellys.

Only days before their cooler's projected launch date, a TV crew from CBC's Venture wrapped production on their start-up story. ("Our first reality TV show," Cathy calls it.) The crew followed them around for ten days, recording the stresses and excitement of the first run-throughs, the testing, the tweaking, and finally the launch.

"The producer was looking for high drama," Cathy laughs, even though "our consultant warned him there wasn't enough drama in the relationship."

When the crew said goodbye, she wanted to ask them, "Would this be a better story for you if we were about to lose the family farm, and on the brink of divorce?"

Probably. But fortunately for the network, the couple at the centre of the Black Fly story is compelling and upbeat—and plenty telegenic.

For starters, Rob Kelly is an outdoorsy, dude-handsome family man—typically decked out in a t-shirt, khaki shorts, backward ballcap and skaterboy treads—who can articulate every detail of his considerable business plan with the aplomb of a seasoned marketing pro.

Always interested in mixing the arts with business, Rob ran a clothing business before getting into landscaping which became his passion. As a former potter, he says, "landscaping was a great creative outlet for me from a sculptural standpoint." Twelve years later, he still loved

it, but "wanted to get out while everything was good, reboot, find a new challenge." The term 'renaissance man' springs to mind. Indeed, Rob seems as adept at building and installing whatever the business needs (including making 20-foot fridge doors from scratch!), as he is at mastering the scientific and technical ropes of, well, practically everything at the plant.

At his side is Cathy, the casually elegant super-mom, experienced from running myriad successful businesses, shrewd lobbyist, co-strategist, and Black Fly's chief moneyminder. Together, they make a formidable entrepreneurial team. There are no titles on their business cards. "It's not our style," explains Cathy.

Surprisingly, a micro-distillery was not the original plan.

What probably differentiates their product most is taste, says Cathy. "It's far less sweet than other coolers on the market, and so caters to a more sophisticated drinker."

A few years back, Rob started to dream of opening a micro-brewery in London, and started that ball rolling. Eventually, with his site and business plan in place, he sat down for a fateful chat with an industry veteran. That day he learned of the substantial erosion of beer's market share, and an explosion in the 'specialty drinks' category. Preferring to go with a growth market, Rob promptly reset his sights on the cooler business, which appeared to be adaptable to any sort of spirit for limitless possibilities.

But, with mostly big-name distillers entrenched in the cooler market, how did they hope to stand out?

"By making a premium product," says Rob. "There isn't really another one out there."

In his eyes, using natural ingredients—like real cranberry and wild blueberry juices, real sugar instead of glucose/fructose, and an Ontario-produced vodka—sets Black Fly apart.

That it's packaged in unbreakable, resealable, recyclable plastic bottles with a real end use (fleece) seems to thrill everyone from the active consumer to the lawsuit-phobic LCBO to the enviro-conscious. Even the police love it, says Cathy. "Nobody gets hurt," we like to say."

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The significance of the Black Fly name on their marketing can't be underestimated either. This tiny insect with the big bite speaks directly to the highly lucrative Ontario market that is Black Fly's first delectable target.

"Black flies are identifiably Northern Ontario," says Rob, who, as a lifelong Muskoka cottager, knows the pests resonate on some weirdly regionalistic level with Ontarians, even though they are a North American phenomenon.

Plus, in his metaphorical heart of hearts (and integral to Black Fly's cleverly scripted narrative), Rob would like to see the industry giants swatting at his micro-coolery that wants to take a nice chunk out of them.

No question about it, this couple has its patter down cold—right down to positioning Black Fly as a business that wants to hire, produce and package locally—and, says Cathy, "to be proudly London-based like so many successful businesses before us." Every angle has been covered to make this a good news story.

And why not?

For the short term, the Kellys' ambitions are modest enough. They don't want a 'Black Fly Lounge' or a rooftop restaurant above their plant. They just want to make coolers, and eventually, "families of coolers", using different spirits. And they want to retail them—soon—over their own counter, just as micro-breweries and wineries have the right to do.

Of all the consultants who weighed in on the Black Fly project, says Rob, "nobody foresaw the licensing challenges we faced that set us back a year."

In spite of their upcoming bureaucratic hurdles, the couple remains optimistic. Pure spunk and focusing on the opportunities that lie ahead fuel this tiny, would-be juggernaut.

Cathy recalls Venture's producer asking at one point, "When will you throw in the towel?"

She was ready for him. "I told him, 'There are a million and one things you can do with a business like this. Entrepreneurs can't give up that easily. It's not the way we think. When a problem arises, you look for the solution, not the escape.'"

But today, in a quick aside, she adds, "At least, that's my attitude on a good day." **END**

