

Dan Szor:

I think it really is important to figure out whether you are the right person in the right seat. And who you are and what your strengths are. Keep your strengths going, address your weaknesses. Don't be afraid to try and figure those out. And don't be afraid to try and get help.

Mike Paton:

Hello everybody, this is Mike Paton with the EOS Leader Podcast. And today I have the great pleasure of speaking with Dan Szor, founder and CEO of the Cotswolds Distillery.

A native New Yorker, Dan had been working in finance in London for many years before buying a home in the Cotswolds to find some peace and spend more time with his family. Noticing his home was surrounded by barley fields but finding no distilleries in the area, Dan realized he could combine his love of whiskey with a long-time desire to start his own business. He promptly located a derelict site near his house, built a distillery and a team to run it, and opened the doors of Cotswolds Distillery in July 2014.

He's recently published a book about his whiskey journey, spirit guide in search of an authentic life and I'd urge you all to get a copy and learn more about his story yourself.

Welcome to the show, Dan.

Dan Szor:

Great to be here. Thanks for having me.

Mike Paton:

My great pleasure. Before we get into your entrepreneurial journey, I'm actually curious to explore the time you spent in high finance in cities around the world. Tell us about that journey and what led you to seek a different life.

Dan Szor:

Sure. Well I don't think I ever grew up imagining myself in high finance or on Wall Street although growing up in New York, Wall Street always was a very present thing and a couple of summer jobs working at brokerage firms and things. That was kind of ... It seemed as though it was a viable alternative but coming out of college with a Bachelor's Degree in International Relations, I didn't really know what to do.

I knew that I liked things international and I was interning at a bank in Boston. I was going to Tufts up there. That was my senior year. While I was there, a job came up in their foreign exchange trading area and I interviewed, I got the job. And I didn't have another job and those were the days when you took the job you had. And right out of school, two week holiday and right into work. And what I thought foreign exchange would be good for with my international bed, was that you were really looking at different countries rather than select companies and stocks, and et cetera. So there was a lot of macro economics and markets were really driving things, starting to drive things back in the 80's.

And the 80's was a time where if you didn't know what you were going to do, you kind of went to Wall Street. It was really a popular option with young people back then. And I didn't know it would turn into a lifetime career and that's perhaps not really what I wanted but it just got to be where I couldn't get off the wheel.

Mike Paton:

Yeah, for sure. And I know that feeling quite well. And then what was ... Walk us through the series of events that had you thinking about maybe doing something a little different.

Dan Szor:

Sure. Well I think my first dissatisfaction was what I was doing in finance came about four or five years after I got ... Around 1990, 1991. And it was actually, believe it or not, it was a near death experience drowning in a river in Costa Rica. Almost drowning in a river in Costa Rica. A whitewater rafting trip. Which was kind of one of these moments which made you think about what's important in your life. And I said, "You know, I just don't want to keep doing what I'm doing."

And I was going to go back and get an MBA and kind of pivot and think about which way to head but I thought, just for the heck of it, I would think about something I could do within the context of my company which would make it more fun and do something ... Make it about something I'd always wanted to do. One of those things was living abroad and I was always a bit of a Francophile so Paris seemed like a place that I always wanted to be. And I pitched the idea of this small startup foreign exchange consulting company which had a lot of clients in Europe but no permanent marketing presence there. They should have a marketing office and by Jove, they should put it in Paris. And somehow, they bought it. And then I was stuck so that was 11 years in Paris. And that was fun, but it was mainly fun because I got to live in Paris.

When my wife and I moved to Paris, we did what American expats typically do in non-work time. We took the car and went off to wine country, wine producing areas, Loire Valley and champagne and Burgundy and back with the [inaudible 00:04:38] for booze and just these great stories about people in the Providence and the care that they put in to and the love of making what they make. And that was great.

And then all of a sudden, in 2000, I discovered something that I would say even put the French to shame in terms of Providence and Terroir, and that's single malt whiskey. And I'm thinking that the Scots really figured out in a way that the French with their spirit which was brandy and Cognac but never quite were able to imbue it with the same kind of romance and prominence. And I was hooked.

So I spent the next few years learning a lot about single malt and in my one boy's trip a year I was allowed, I'm going off to Scotland and doing a bit of distillery touring which involved a bit of drinking and driving which you can't do anymore in Scotland but it was a wonderful chance to explore a beautiful part of the world and hear the stories. And as somebody who basically sold financial derivatives for 30 years, I think I had a manufacturer envy. I kind of [crosstalk 00:05:40]. I was fascinated by people who actually made things as opposed to ... I made PowerPoint presentation. That was about it. So engineers and chemists and particularly products that you'll like that are interesting and enjoyable. So that's where the romance started.

Mike Paton:

That's a great story. Thanks for walking us through it. Tell us a little bit more about the business. When did you start it? What was the drive there? How many people? Any plans for the future? Just give us a little walk-through where your head is right now.

Dan Szor:

Sure. Well the business started. I mean the original epiphany you mentioned, the barley epiphany kind of looking out at a field of Barley outside of our country house here in Cotswolds and saying, all this barley, why isn't anyone ever making whiskey, came in 2012. And I set about trying to learn how to build

a distillery and make whiskey, none of which I had any knowledge of. But I found a pair of Scottish guys who between them had 100 years or more experience in whiskey. One on the engineering side and one on the chemistry side. And they helped me to figure out what kit we needed, spec it all out, get it installed.

Meanwhile, I hired a small team, most of them had as little experience as I did. I tried to find a sort of grizzled old Scot to be our head distiller but no one actually wanted to come south of the border and work for a risky startup. So I found a couple of young, bright guys who were passionate about it. And we started distilling in the summer of 2014. And now, we find ourselves six and a half years later with a staff of 50, three retail shops, wholesale sales out into about 40 countries and selling about a quarter million bottles a year of whiskey and gin and other spirits.

Mike Paton:

And I presume the United States is one of the countries where I might be able to acquire your product?

Dan Szor:

In a couple of states. US is a very tough place for liquor because it's not one country, it's actually 50 countries and every state has its own regulations, its own tax system. And then there's this three-tier system which means as a producer, you can't sell straight to the consumer or even to a retailer. You have to go through a distributor. And typically, distributors really like to hear from you if you're a big guy and you're selling enough of your spirits to pay his mortgage. But if you're a startup and a little guy, it's really tough.

Whereas over here, we can sell straight to a consumer, we can sell straight to a shop. People can buy booze on Amazon. So that's starting to happen in the States but it's slower and it's definitely the biggest prize out there, but it's the one that needs the most investment and [inaudible 00:08:14] time. But we are in about six or seven states across the US. Go to [wineseacher.com](http://wineseacher.com) and stick in Cotswolds, you'll find a whole bunch of [inaudible 00:08:22].

Mike Paton:

Well as I mentioned earlier, you've made me thirsty already so I plan to do that immediately after hanging up with you, Dan. So let's pivot and talk about leadership and I think you've seen a spectrum of leadership styles in your life and I'm interested in picking at that for a while and learning from you. The first question I had for you is when was the first recollection you have of seeing someone lead? Who was it? What made you recognize it as leadership and what did you take from that experience?

Dan Szor:

Well I think probably would be with the company that I ultimately ended up spending 26 years with. When I started off with them, I was only 25. I had been working at a couple of big banks. But I never saw those as being places for me long-term. I was not a sort of a corporate guy. And I ended up going to work for a startup well before I expected to do that. And it was led by a very charismatic guy. Brilliant guy, very entrepreneurial, and I think I've taken the bits that I want to try and recreate from that and hopefully, substituted where I think there were problems, other approaches.

Mike Paton:

Yeah. Tell us about the best parts of his leadership style and then obviously I'm going to ask you a followup question when you're done with that.

Dan Szor:

Sure. EOS taught me that when you look at accountability and how an organization works that in most startups, there's a visionary. Somebody who's responsible for the big picture, the direction. Very often linked to new product development and it was really the voice and the spirit behind the business. And that wasn't hard to recognize myself in because that's who I am, who I was. But EOS also says there's an integrator behind every good visionary and somebody once called it a picker-upper. But somebody can integrate different groups, different departments or whatever, and that's something I had very little skill at.

I never had it, so therefore, I guess I always tried to avoid it. One of the ways of doing that initially was going off and moving to Paris and putting an ocean between me and head office. And then I ended up on the management committee but I was always a quiet guy who never really wanted to get involved. And so, that was then. And then I was fine being a visionary without much integration behind me in the beginning because I was trying to manage everything. I had my arms around every aspect of the business.

And as the business grew, I realized I could continue ... My arms weren't long enough to stay around all aspects of the business, and my own lack of ability as an integrator, unfortunately, there wasn't anybody to be CEO but me. So I needed help. And I needed a system and that's really where the introduction to the EOS came in.

Mike Paton:

Interesting. In all your journeys, what's the scariest or most difficult leadership moment you've had to navigate through? Tell us about it. What was the decision you needed to make and how'd it work out?

Dan Szor:

Probably it was as we started growing. We started growing in an area that I never expected would be big for us which was gin. I was whiskey-deep and I always wanted to make single malt whiskey where it had never been made in the Cotswolds using local barley. But I always said, distilling is fun and there's lots of things you can distill and we've done everything from apple brandy to rum to Grappa. But at some point, you do have to focus. Gin is obviously a very popular spirit here in the UK. We didn't event it, it actually came from the Netherlands but we certainly made it known in the world. And it's been a huge gin renaissance going on here in the UK the last couple of years.

The great thing about gin is you don't have to wait three years until it's been aged in oak casks so you can make it on a Tuesday and sell it on a Wednesday. And so, the small business with cash flow issues and capex issues, that was great and we always just thought it would be nice to have something to add on the shop shelves while we're waiting on our whiskey.

But then, our gin went viral. And it just kind of took off. Started to bring in awards. And it started growing and growing to the point where we were having to kind of build our brand around a product that we didn't think was going to show up for a couple years. And we were having to hire sales guys and marketing people and at the same time, we were running out of production capacity.

So at that point, the difficult decision that I faced was, do we double down? And by double down, I mean this was no longer a little neighborhood craft business. This was, are we going to try to become a national and eventually international brand? And that's going to involve more money. It's going to involve more people. It's going to involve more risk, better structure really. And was I ready to take this on?

Mike Paton:

And were you?

Dan Szor:

I did. I drank the Kool-Aid. I wouldn't have done it had it not been for my largest angel investor who has become since, a great friend that I would say almost partner is all but equity stake. And it's somebody who's ... The gentleman is an Australian gentleman who's kind of retired to the Cotswolds. Early retirement but after a very successful career in investment banking. And really reminded me of that first guy, the first leader I was just mentioning. The really razor-like precision and ability to really look at things, take them apart. So if I hadn't had him, I don't think that I would have the guts. I sometimes joke that it's kind of like if you're by yourself and you're a little kid, your mom wants you to go out to play, you don't get in that much trouble. But if there's two of you, you get in a lot more trouble. So Paul and I together, we've definitely been willing to take on a lot more than I would have done by myself.

Mike Paton:

And has your integrator learned to minimize the number of hours you two spend together or is that a technique that needs to be developed yet?

Dan Szor:

Well unfortunately, I spend 24/7 with my integrator because it's still me.

Mike Paton:

Oh, got it, got it.

Dan Szor:

I still remain, I am founder, CEO, and we have actually put that down as one of the mantra missions. But there's complete transparency. I'm very open with that to everybody including our facilitators from EOS and the rest of the managing team. They're ultimately [inaudible 00:14:33] better CEOs than me and are better integrators.

Mike Paton:

Yeah.

Dan Szor:

We just haven't had the time, the money, and the contact flow to find the right person. And that's where EOS became so important was that through this system, I could be a better integrator [crosstalk 00:14:48].

Mike Paton:

Yeah. It does create some guardrails for follow through and some visible accountability moments where if you're sitting in the integrator role and you're truly a visionary at heart, you're not failing to follow through in a vacuum, if that makes sense. So good to hear.

One of my longtime friends once asked me, "Is it okay if we have three visionaries on your accountability chart?" And the answer to that of course, is no. And so you and Paul strike me as a couple of visionaries and when you do hire an integrator, some sort of counseling would be helpful. I just -

Dan Szor:

Yeah. Yeah. But I think that there are a couple people that Paul has been able because of the management team that we now have, and because of the system of organization that we now have in EOS, to not be involved on an executive level. He has been able to be the non-exec director member of the board. Perhaps a bit more active than the others. But there's a couple people that are happy for that and definitely one of them is Paul's wife.

Mike Paton:

Fair enough.

Dan Szor:

He never signed up for this so he's not really so much the visionary as kind of my go-to guy [crosstalk 00:15:58] -

Mike Paton:

Sounding board, is that -

Dan Szor:

Yeah, sounding board.

Mike Paton:

Yeah, that's great. That's a great role and vital to everybody.

So let's talk about your opinions about leadership and your experiences. If I were to ask you to describe the characteristics of effective leaders in your life or the kinds of things you emulate as a leader, what are the phrases or adjectives that would come to mind?

Dan Szor:

Well for me, it's ... As a matter of fact, actually, in our vision and values that we've come up with as part of our whole VTO, our two words that probably aren't going to be familiar, our [inaudible 00:16:34] most vision and value structure which is big wheels. Big wheels comes from an expression that Nick Franchino who's our head of production, our head distiller, came up with. Nick is a big lover of American music and in fact our whiskey stills the tradition being to name them after women, were named after women of music. So our wash-still which is what blows up all the beer is called Mary. And that's for Proud Mary.

Mike Paton:

Proud Mary, yeah.

Dan Szor:

Nick always says the Creedence version, not Tina Turner. And that's because, basically, she keeps on burning. All day long, she's just burning through that beer and making it up into spirit. And so whenever the job got to be tougher than anybody could reasonably expect, Nick would just utter two words to me, which was just big wheels. Meaning we can do it. We can get together. Nick's a rugby player and he's a real believer in teamwork and grit is another English word ... Or graft, I think, a grafter. You're being a grafter.

We felt that that described everyone in the company really in their departments that really was working well and had become a dissociable part of the company. And it's for big wheels. And being able to do way more than the job description ever had asked you for that you could imagine yourself capable of doing.

Mike Paton:

Wow. That's ... Love both of those characteristics. And then the flip side, is there anything that you've seen other people leading that turned you off or things that you work really hard to avoid doing yourself as a leader because you know how destructive or de-motivational they can be?

Dan Szor:

Yeah. I've seen sometimes pompous and imperious kind of leadership which really is a turn-off. I mean I only know how to be one way which is who I am which is sometimes, painfully, boringly, transparent. And wanting to make myself understood. Sometimes, I have a tough time with a bit of posturing. Maybe you do need to do because it's just not in my nature. So it's really about leading by example and folks who don't do that, I suppose, are not folks I would ever want to have much to do with really in my own company.

Mike Paton:

Excellent, excellent. What's the biggest challenge the business is facing as you contemplate the future?

Dan Szor:

Well I mean the traditional challenges to us are when you're building a brand, an FMCG, a fast-moving consumer goods kind of a brand, you're starting from nowhere. No one knows you. How do you get known? How do you achieve that kind of momentum?

We've not found any other way than taking the expression from American football, a couple yards and a cloud of dust. It's just driving the ball down the field and it's a combination of push and pull. The push being selling and the pull being marketing. Because it's one thing to get a store to stock your product but if nobody's buying it, then you're never going to get a second order. So those are all definitely big challenges. Whiskey making is by its nature, quite challenging because you're looking at 10, 20, 30 year business plans. Because you have to be thinking with the age required in stock of what you think you're going to need 10 to 20 years from now. That's the long-term nature and the capital intenseness of it is definitely a challenge.

Mike Paton:

Yeah, that feels a little bit like a blessing and a curse in that I see a lot of younger companies and younger leaders getting caught in the day-to-day and not able to consistently be thinking long-term. And so I think long-term thinking tends to make more sustainable decisions more accessible. Have you found that? That the pressure to think long-term helps everybody on your team get better at that?

Dan Szor:

I am not somebody who really was a big believer, given my age [inaudible 00:20:13] in merits of working from home. It just didn't ... It's not something I grew up with. I never ... It was that expression, shirking from home. I mean I just ... It didn't sit comfortably with me. And yeah, obviously, we've all been forced to, particularly here in the UK, do that.

And I've been surprised at the ... Not only my own effectiveness but the effectiveness of the whole management team all of whom are working ... Well, save our head of production who has to be on site but even he will go off quite a bit. And we've all become good home workers and I think there's something about that, that actually does allow you to distance yourself and think strategically. And it's almost running a business like playing a video game. Sometimes, it's good to get back and actually see what's happening and people working. And I think having a little bit of that distance, that perspective, definitely does help. And I'd like to do more. That's my favorite part of the business is the strategic, the long-term, the visionary piece.

Mike Paton:

Yeah. Great stuff. Well given all your experiences around the globe, have you noticed any significant differences or interesting or intriguing similarities between leadership styles in the US versus France, versus the UK, Costa Rica? Where all the places you've been, are there any characteristics that are timeless and then some that are provincial or regional?

Dan Szor:

The place I spent the most time outside of the UK and the US has been France where there traditionally is a little bit more formality in leadership and a little bit more process. It's very process-oriented. And I think the Anglo-Saxon's [Bolieu 00:21:51] as the French would call us Americans or Brits, of kind of cut through that and getting to the core of things, isn't maybe necessarily in the French spirit of things.

So I found it very easy to adapt here in the UK because there's a lot of similarity between the UK and the US management styles.

Mike Paton:

Wow, that's awesome. Here's the last question. There are a lot of young leaders working hard to be their best everyday that listen to this podcast and you've covered some distance in your career and I'd love you to think of one piece of sage advice you can give a young, aspiring leader. What should they focus on to be their best?

Dan Szor:

This is not a plug in any way, sort of for EOS but certainly, what I've gotten out of the embracing of this system over the past nearly year now has been addressing an area that was always a challenge for me. Which, I think it really is important to figure out whether you are the right person in the right seat and who you are and what your strengths are. Keep your strengths going, address your weaknesses. Don't be afraid to try and figure those out. And don't be afraid to try and get help.

Every time I've gone out and done little courses, having opportunities to network with other folks or reading a recommended book. And that's exactly how I came to EOS is just ... It's paid back huge [inaudible 00:23:21].

Mike Paton:

This transcript was exported on Jun 08, 2021 - view latest version [here](#).

Thank you very much. It's been great talking with you. Can you tell the listener where to go to learn more about your company and you, Dan?

Dan Szor:

Sure. Well if you just Google Cotswolds Distillery, you'll see a lot of pieces about us and you'll see a link to our website. You can try our products and we even have US [inaudible 00:23:39] store as well. And my book about my crazy hedge funds to hedgerows career is on Amazon.

Mike Paton:

Yeah, awesome. Thank you very much. I hope the listener enjoyed this conversation as much as I did. If you did, I'd urge you to go to iTunes, lodge a review. If you didn't, wait until the next episode, that's my pledge. But please, join me in thanking Dan for his time and may we all work hard to become our best leader everyday.

If you're interested in applying what you've learned today in your own business, the five books and the traction library can be helpful resources on your journey. You can learn more about those five books and actually order them at a deep discount by visiting [eosworldwide.com](http://eosworldwide.com).