

Subject: *Orangewood Wines News No.23, December 22nd, 2005*

Sent: *Thursday, December 22, 2005, 8:45 PM*

To Our Wine Aficionados,

Introduction

Well, a Merry Christmas to you. I was talking to my sister, Margaret, over the weekend. She lives in England and tells me that political correctness does not extend to wishing people "Happy Holidays". What she is hearing is that all nationalities and religious groups are happy to endorse the notion of celebrating an important religious event, so if you are enjoying the tradition, it's alright to call it by its name. And a happy, healthy and prosperous New Year, too!

Box Score

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New Locations

The Greene House, 15024 N Scottsdale Rd #100, Scottsdale

Fox Restaurant Concepts has added another restaurant in the Kierland location – just north of North. The restaurant, named after the famous turn of the century California Craftsman architect, Henry Greene, has a craftsman theme. The food is simple and fresh, the wines from small (craft) wineries.

Camus, 401 W Clarendon Ave, Phoenix

The Clarendon Hotel has been extensively refurbished and a trendy restaurant and bar included. The reviews are good.

Roaring Fork, 4800 N Scottsdale Rd Suite 1700, Scottsdale

Chaparral Rd is the East-West Street half a mile north of Camelback Rd. There is an office block on the Southwest corner of its intersection with Scottsdale Rd. The southwest corner is appropriate for the cuisine available at this award winning restaurant.

Mosaic, 10600 E Jomax Rd, Scottsdale

This restaurant at the intersection of Alma School Rd and Jomax is close to Pinnacle Peak Patio, a choice destination to take out-of-towners 30 years ago. Now there are houses in all directions and a Four Seasons Resort next door! Mosaic is in a beautiful building in a beautiful setting serving wonderful food and wine.

58 Degrees and Holding II, 4280 N Campbell Ave #27, Tucson

58 Degrees refers to the temperature at which fine wine should be stored. Holding refers to the facilities which allow customers to keep their fine wines at this ideal temperature. 58 Degrees and Holding also allows customers to purchase fine wines. Located at Campbell and River, this is the second store with this name.

New Winery

Boeger Winery, Placerville, CA

Greg Boeger has been in the wine business since before he was born. He grew up on his grandfather's ranch, the Nichelini Winery, which is close to RustRidge Ranch in the Chiles Valley part of Napa Valley. In 1972 he bought the Fossati-Lombardo property in Placerville from the Swiss American family who had been making wine there since the 1850's. He and his wife, Sue, and now their son, Justin, have been making great wines for over 30 years. The vineyards range from 1500' to 3000' in elevation. This provides ample opportunity to grow several high quality varietals. Many of the old buildings are still standing and are well worth the visit – of course the tasting room adds incentive to visit.

Jim (our Prescott, Jerome, Sedona sales guy) and I drove over to visit last week. (We were doing some modest inventory buildup – see rambling). It is an amazing winery in the Historic town of Placerville. Near to Coloma, where gold was first found, Placerville was vying with Sacramento to be State Capital. The town had a committee that dealt out justice to gold thieves and such, and their best known sentence was hanging - resulting in the nickname "Hangtown". This name is used for some of the wines produced at Boeger Winery.

At one time Boeger wines were distributed in Arizona, but dealing with a large distributor was not very satisfying. It did, however, leave some vestiges of enthusiasm – Ed, the Cellar Master AJ's Mesa, asked us why, with our Sierra Foothills focus, we didn't carry Boeger Wines. A nod is as good as a wink to a blind horse.

Upcoming Events

Events are sometimes described on our website if I remember to tell Laurie about them.

<http://www.orangewoodwines.com/wine-events.htm>

Rambling

One Christmas time, way back when I was in the corporate world, I was the only person with no vacation left, so I was acting Vice President of Engineering. With my temporary authority I bought the management team a copy of Peter Senge's book *The Fifth Discipline*. I had just read it and thought it so insightful that our company would benefit immeasurably from the enlightenment. I was reminded of this because one of the anecdotes is called "The Beer Game". Briefly, the set up is that there is a beer factory, a beer distributor and a beer retailer. The three entities basically communicate with one another by means of placing orders to be delivered in 3 weeks. So the retailer gets weekly deliveries and places the future order at that time. Each of the entities has a small inventory to manage variations in demand. Due to a particular beer appearing in the lyrics of a popular song, demand for that beer doubles. The retailer manages to meet the demand from his inventory for a week or two and orders twice as much on his order form. However, with the 3 week dead-time in order response, he is not meeting the consumer demand. So, the retailer increases his order even more. The distributor sees the doubling in orders and then additional increases, and has the same problem. The distributor increases his factory orders even more. The factory increases production in response to the increased orders it sees. All well and good. Now the increased orders start to show up. They are now meeting the consumer demand but orders beyond that doubling start to build up inventory and they keep coming. Pretty soon all three are up to their ears in inventory that will take months to get back to normal. This from just a doubling in demand.

I was reminded of the story, not just because it's Christmas, but because there are a couple of products I ran out of briefly when I started to receive bigger orders. Was this an increase in demand or am I seeing a response due to the gap in availability? Thinking quickly, I put on my delivery man hat and went to ask the folks making the orders. Yes, it is an increase in demand, but not massive. A modest buildup of inventory was called for. Thank you, Peter Senge.

After last month's prolonged ramble, I got an email from a dedicated reader (yes, Frank, it was you) who told me he had read to the end of the newsletter. Congratulations are in order.

Ciao,

Richard and Laurie

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