

# Orangewood Wines

*Small Wineries, Great Wines*

## Orangewood Wines' Newsletter

Volume 4 Issue 27 March 23, 2013

### Introduction

Summer showed up this week! Spring training is well underway, migrating geese are heading north, Dizzi (our black lab) is anxious to chase tennis balls into the pool. I got out my shorts, polo shirts and Birkenstocks and said goodbye to the winter that had threatened to freeze our water pipes just two weeks ago. This is the time of year, it seems, when wineries think they could do better with a different distributor and distributors think they could get better wineries to represent. This month's topic is winery–distributor relationships. It seems timely.

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### New Restaurants

#### 71 American Grille

<http://www.71americangrille.com/>  
28615 North El Mirage Road, Suite 102  
Peoria, AZ 85383  
(623) 249-5337

#### Forty Niner Country Club <http://fortyninercc.com/>

12000 East Tanque Verde Road  
Tucson, AZ 85749  
(520) 749-4001

#### FnB <http://fnbrestaurant.com/>

7125 East 5th Avenue, Suite 31 (in Craftsman Court)  
Scottsdale, Arizona 85251  
(480) 284-4777

#### Vintage 95 Wine Lounge <http://vintage95.com/>

95 West Boston Street,  
Chandler, AZ 85225  
(480) 855.WINE (9463)

**Bandera** <http://www.hillstone.com/#/restaurants/bandera/>  
3821 North Scottsdale Road  
Scottsdale, AZ 85251  
(480) 994-3524

## **New Wineries/Importers**

### **Copa Fina Imports** <http://copafina.com/>

It seems as if we spent all of 2011 looking for a Malbec to replace one that the importer moved to a different distributor. After about eight failures – yes there is a lot of poor Malbec around – we finally settled on one and were beginning to make inroads. Then this importer decided he was not making enough money and quit. It was quite a relief when Shelbi Elkins sent us some wonderful samples from small family owned Argentine wineries that she imports. The Malbec and Torrontes from the first of these wineries, Mi Terruño, are now available.

## **Wine Topic of the Month: Winery–Distributor Relationships**

Whenever the topic of selecting distributors shows up in the wine oriented chat rooms, the chat becomes animated. From my perspective, the winery-distributor relationship is just that: a relationship. Just as with any relationship, it needs to be based on mutual respect, common goals and good communication.

Distributors need wineries, so there is no question that they should be motivated to maintain a healthy relationship. For wineries, distribution through distributors requires extra work to sell wine at smaller margins than other channels. The tasting room sales, wine club sales and direct sales to local restaurants and retailers is more profitable. None the less, wine distributors need to be managed individually and collectively by the wineries. This requires effort and thought. The thoughts must include why distributors are valuable to the winery. Wineries must understand that distributors do not have a continuing revenue stream like a wine club, nor an on-going set of new customers visiting the tasting room who don't remember yesterday's wine selection or prices. The distributor relies on repeat business from retailers and restaurants, which, in turn, rely on customers wanting to "buy that wine I got last time". Some wineries have trouble understanding what a distributor is good for. Such wineries should not be calling me.

As a distributor, I receive a lot of calls from importers and wineries wanting representation. Their first question is often, "Can I send you samples?" My first question to myself is, "Can I understand what this person is saying?" Another question I have is "Can this person do email?" Promptly? I don't ask this question directly, but I usually ask for prices and other information to be emailed

to me. Conversely, if this an email request, I like to have a conversation. If verbal and email conversations work, we can talk about what the winery makes and what Orangewood does as a distributor. I also try to understand where we are going and does a relationship make sense? Does this winery understand what a distributor does? Does the person to whom I am speaking have the authority and time to worry about several distributors? Looking back at the wineries I work with and those I no longer work with, it is clear that there was, in some way, poor communication, and, as a result, poor understanding of each other. I remember working to establish a particular winery's Sauvignon Blanc at a number of restaurants. When I called to re-order, I learned that not only did the winery have none, but they had grafted the vines over to producing Merlot. Perhaps I should have asked. Perhaps they should have told me. Either way, there was a problem.

I now have conversations with wineries about "No sudden moves". Significant changes in the product, its quality and price can be managed, but not overnight and not after the fact.

## **Rambling**

For the last few days I have had a serious case of writers' block. I sat staring at a blank piece of screen wondering if I should rant a little about daylight savings time and why it should be abolished. A solution looking for a problem. Or should I ponder the change of the retail business. I walked from end to end of an open air mall recently, finding no bookstores, music stores, video stores, electronic stores or wine stores. All I saw were high end clothing stores, intimate apparel stores, house furnishing stores and three restaurants – one out of business. Who shops at these places anymore?

Or should I have a beer. As my father in law says, "A man must believe in something, I believe I'll have a beer!!"

The Rambler rambles on...

Richard (newsletter writer), Laurie (editor) and Jim Wallace (another writer and editor)  
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