

enterprising Women

THE MAGAZINE FOR WOMEN BUSINESS OWNERS



Women Make Wine

How Much is Your Business Worth?

Indulging Yourself
on the Coast of Maine

Exploring the Italian Countryside

Some of the world's finest wines
are made by women-owned wineries

We profile 6 top wine-makers and publish
the first-ever Women-Owned Wine List

Outstanding women winery owners Julie Johnson of Tres Sabores,
Robin Lail of Lail Vineyards, Laura Zahtila of Zahtila Vineyards,
Mary Rocca of Rocca Family Vineyards, and
Vicky Farrow of Amista Vineyards.

PLUS:

- Tips on building a stronger brand name
- Busting myths that hinder sales
- Growing your business to \$1 million+

Women Make Wine

BY CAROLYN TILLIE

Women-owned wineries are not an entirely new phenomenon. In 1886, Josephine Marlin Tychson became the first woman to build and operate a winery in California—Tychson Cellars. Prohibition, the women's suffrage movement, and World War II interrupted three generations of women's advancement as winery principals. But, today, dozens of women across the nation are taking the reins as winery owners.

Four decades ago, Mary Ann Graf became the first woman graduate of the University of California-Davis agricultural program for winemaking, paving the way for hundreds to follow. Today, women are viewed as an integral part of the wine industry and can be found doing everything from growing grapes and making wine, to starting and running their own wineries, to opening wine shops and importing wine.

Gone are the days when farming was gender-specific and agriculture was a man's world. In media, at wine shops, and even in four-star restaurants, the idea that men are more knowledgeable with respect to wine is being overcome by the voices of woman consumers. Wine marketers are recognizing that they no longer speak exclusively to a male audience. They are acutely aware that 55 percent of all wine consumed in the United States is now purchased by women, and 56 percent of all U.S. wine drinkers are women.

National attention also is focusing on the growing number of women who are producing wines.

In 2005, the National Women's History Project honored wine makers Merry Edwards, Margaret Davenport, Mary Ann Graff, Julia Iantosca, Zelma Long, Carol Shelton, Helen Turley, and Phyllis Zouzounis for their pioneering contributions to wine in America. Examples of the legacy left by these

women abound, not just in the hills of the storied northern California wine country, but across the nation in wine clubs, Web sites, retailers, and wine brands—all sharing the common thread of women ownership.

LAURA ZAHTILA Zahtila Vineyards

Laura Zahtila, who has celebrated seven harvests, is a relative newcomer to the world of wine. Graduating from Arizona State University, she began her career at McDonnell Douglas in the information technology department then moved to California in 1992 to manage telephone technical support for Hughes Land Systems. She later became a systems engineer at Netsolve, then a sales specialist at Cisco Systems.

Riding the wave of the dot-com boom, Zahtila followed her passion for wine and purchased a Napa County, CA, vineyard in 1999. Although the vineyard began as a family endeavor with her husband, Zahtila soon realized the passion was all hers, and they parted ways.

"It obviously wasn't easy, but there is not a day where I have regretted the decision," she says.



LAURA ZAHTILA



Training herself in all aspects of the business—from growing to harvesting, from bottling to selling—Zahtila says she has been impressed at how forthcoming everyone has been with helpful information, adding, "There is no chasm of intelligence."

Relying on a consulting winemaker for technical advice, as is customary at many wineries, Zahtila makes all of the blending decisions for her Chardonnay, Zinfandel, and two Cabernet Sauvignons. The wines, which bear her name, suggest she has every reason to be proud of what she has achieved. They are welcoming, approachable, and a pleasure to drink.

A major component of Zahtila's success—one she shares with many small winery owners—is consumer-direct sales. Customers buying direct from the winery, either by visiting Zahtila's tasting room or by signing up on her mailing list, continue to support the winery's core business.

For the smaller producers, finding shelf space in retail locations or placement on restaurant wine lists poses challenges because of the current maze of distributors through which a winery must work. It is not



MARY ROCCA

unheard of to have a different distributor for each state in which a wine is sold. Moreover, if a winery has a production of less than 100,000 cases, the larger distributors are not interested in handling its wines; a production of less than 10,000 cases often means smaller distributors feel the same way.

These obstacles (which are shared by numerous woman-owned wineries), coupled with the ensuing loss of market share, increase logistics cost and margin pressures and leave no one untouched.

Fortunately, the historically monopolistic wine distribution system is loosening. Following a landmark U.S. Supreme Court decision in 2005, consumer-direct shipping is taking hold and changing the landscape for wine distribution nationwide. The day is coming when consumers will be able to buy wines direct from wineries regardless of location. Unhindered by arcane interstate commerce laws and nineteenth century "blue laws," the playing field for smaller wineries will even, improving their business models and opening new markets.

Zahntla's business currently has a 2,000-case production, three in-house employees, and 12 contractors, and she has aspirations

of doubling her volume over the next five to seven years.

"Growing like that has significant financial implications," she says. "One has to figure out where to find the room, as well as the funds. Now that crush is over, I am working on the strategic planning operations for growth and by spring, I hope to have more answers than questions."

"I came in with no preconceived notions, but I also feel that for me, there is no glass ceiling," she adds.

MARY ROCCA **Rocca Family Vineyards**

Mary Rocca has a beautiful smile. She should, too; she used to be a cosmetic dentist. In 1999, she and her husband, Eric Grigsby, purchased 21 acres of Yountville vineyards, as well as her family's gourmet grocery in Pt. Reyes, CA, near the Pacific Ocean. Rocca sold her dentistry practice to run the store. Soon, however, she realized that her heart was in wine growing, and she changed her focus to that of establishing a world-class winery.

Her husband, who has maintained his medical practice, helps with farming and

blending. It is Rocca, however, who runs the show and who has built the business. Concentrating on organic and sustainable farming practices and driven to maintain value and quality, she took an important step when she hired Celia Welch Masyczek, one of the most sought-after winemakers in northern California.

In 2005, she opened a Rocca Family Vineyard tasting room on Main Street in downtown Napa. Situated at the gateway to Napa Valley, the tasting room showcases Rocca's Zinfandel, Cabernet Sauvignon, and Syrah. The facility attracts tourists visiting Copia, the American Center for Wine, Food and the Arts, and local wineries and has increased the visibility of the Rocca Family Vineyard brand, an important aspect of building sales.

For the Rocca vineyard and all smaller wine businesses, brand loyalty, accompanied by direct sales, are golden, if not imperative. Regional distributors, which have long served as the exclusive retail avenue for smaller wineries, are being bought out left and right by a handful of national distributor behemoths. In many instances, this has closed sales opportunities and lowered revenue for lesser-known brands. Redesigned business models now look to winery mailing lists, pre-release sales, and tasting rooms to replace previous retail markets, with the added bonus of improved margins.

Rocca says the wine trade is "an interesting business to learn," and she adds that her education is an ongoing process.

"In the beginning, the effort was entirely on producing the wine, with no thought to sales and distribution," she explains. "Now that the wine is made, I actually have to figure out how to sell it!"

Currently, the Rocca winery produces 2,000 cases and employs two office staff and six vineyard workers. Rocca says she is looking forward to growing well beyond the current level:

"We plan on working up to 5,000 to 6,000 cases minimum. We have enough grapes to make more than 8,000, but we want to grow slowly and keep the demand ahead of the supply. We have been relying on others to crush our grapes, and we are hoping to build our own bricks-and-mortar facility, where we will have more control."

SUSIE SELBY Selby Winery

Diminutive in stature, poised with charm and grace, and bolstered by an MBA, Susie Selby came to northern California in 1992 to join her father in his custom-crush winery (a winery in which smaller wine brands and serious amateurs make wine on a relatively large scale). Encouraged by her father and sharing his passion for wine, she started work at a local tasting room and began studying winemaking, starting at the bottom rung as a “cellar rat” and working her way up to assistant winemaker.

Today, after being entirely self-taught and learning the wine industry literally from the ground up, Susie Selby has her own label. Selby Winery, located in Sonoma County’s Healdsburg, welcomes visitors to its tasting room and hopefully, one day soon, its winery.

Unusual and courageous for a smaller brand, Selby Winery produces 15 different wines from Sauvignon Blanc and Chardonnay to Pinot Noir, Syrah, Malbec, Cabernet Sauvignon, and Merlot; it also produces several dessert wines. Selby’s following includes presidents and movie stars. In fact, Selby’s wines were served at the White House on three separate occasions, and Robert Redford, impressed with Selby’s winemaking style, contracted the winery to produce the Chardonnay for his Sundance resort in Utah.

With a production of more than 15,000 cases and 10 employees in the cellar and tasting room, Susie Selby is reaching toward her goals of owning a wine-making facility and vineyards.

“Those are big aspirations for me,” Selby says. “I have a facility that I can use, but I would love to build something that was made just for me. That, and having control of the grapes, would be a huge boon!”

ROBIN LAIL Lail Vineyards

Robin Lail personifies the mentor concept for many winery entrepreneurs, both women and men. Her lineage goes back five generations in the Napa Valley, where she grew up in the industry. Inspired by her



SUSIE SELBY

great granduncle, Gustav Niebaum, who founded Inglenook Vineyards in 1879, Lail worked the Inglenook bottling line as a teenager and soon moved up to secretary for the family vineyard.

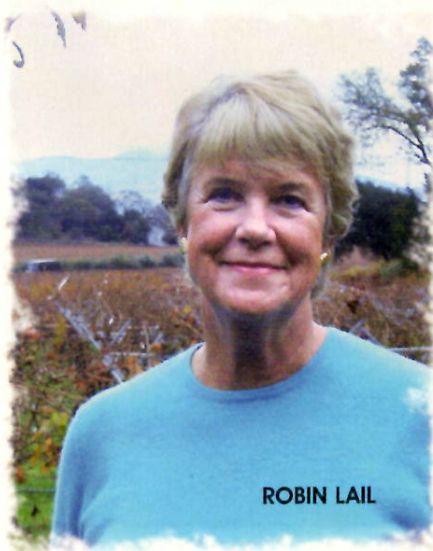
“My own family, the Niebaums, as well as

Margrit Beiver Mondavi (Robert Mondavi’s wife), were—and still are—my role models,” Lail says. “Though I have extraordinary admiration for them, still, to a large degree, I had to become my own role model, as there was no one else in the industry doing what I was trying to do.”

In 1977, she joined Robert Mondavi for a five-year apprenticeship. In 1982, she left Mondavi and partnered with her sister, Marcia Smith, and winemaker Christian Moueix to develop the Dominus Estate winery, which is now world famous. The next year, Lail and her husband Jon Lail joined with Bill Harlan and his partners at Pacific Union to found Merryvale Vineyards; Lail served as president of Merryvale for 10 years.

In 1995, the Lails sold their interest in Merryvale and founded Lail Vineyards. Today, Lail Vineyards’ production level is at 2,000 cases, similar to the levels currently being produced by Zahtila and Rocca; Lail says her goal is to more than double production to 5,000 cases.

With two employees and herself, Lail is looking forward to new challenges, and she is



ROBIN LAIL



thrilled with the recent acquisition of a building permit that will allow her to begin construction of a Lail Vineyards winery at Mole Hill, which enjoys a place on Howell Mountain, one of the more famous appellations within the Napa Valley. The new winery is Lail’s fourth winery project.

Lail says she is proud that a growing number of women are becoming winery owners, adding that she can remember when women could only aspire to being secretaries or public relations representatives, or holding positions in hospitality.

“The women here in Napa are unusually strong and talented—capable on so many levels,” she says. “I greatly admire the spirit of *joie de vivre* that drives us all to succeed.”

Earlier last year, Lail was invited to join the prestigious Committee of 200, an organization of leading women in business, dedicated to fostering growth and increasing opportunities for women entrepreneurs and corporate leaders worldwide. Shy of the required annual \$15 million in sales revenue, she is nonetheless honored at the invitation.

Unlikely as 5,000 cases at \$250 per bottle is, Lail’s Cabernet Sauvignon nonetheless



JULIE JOHNSON

echoes near cult status. Her Cabernet, a perennial favorite for wine collectors across the country, reflects her elegance, wine pedigree, and commitment to world-class excellence. If you find it, buy it.

JULIE JOHNSON **Tres Sabores**

Working on a degree in public health nursing at Columbia University in the 1970s, Julie Johnson met and married a New York dairy farmer. Frequenting New York area wineries, they befriended a University of California-Davis-trained winemaker, who inspired them to try winemaking on their own. They were encouraged to come to Napa Valley, to learn winemaking in the early 1980s, and together, they started Frog's Leap Winery, a hugely successful wine brand.

"In the beginning, it was picking up the phone and then helping out in sales and marketing," Johnson says. "By the time I had children, I had entirely given up nursing to help build the winery."

Johnson, impressed and drawn to the intuitive nature of the industry, knew winemaking defined her passion. She co-founded Women for WineSense, one of the first organizations that promoted the education and enjoyment of wine for women all over the country, and still speaks of her dedication to the industry and her nurturing of women wine enthusiasts. It is no surprise that after divorcing her husband and leaving Frog's Leap in 1999, this woman felt compelled to establish a winery all her own.

The winery Johnson started—*Tres Sabores*, which translates from the Spanish, "three flavors"—began as an experimental project in which Johnson would ask three

different winemakers to produce the wine for six vintages gleaned from her 12 acres of certified organic Zinfandel grapes. Today, Johnson has taken over as the exclusive winemaker at *Tres Sabores*.

"I was a passive owner at Frog's Leap," Johnson says. "Now, owning my own winery, my biggest challenge is myself. You must be willing to put yourself out there and be extremely self-motivated."

Unfortunately, Johnson's resolve was tested last fall, when her wines were destroyed by an arsonist. Johnson, along with 80 vintners in Napa and Sonoma counties, all victims of the same fire, lost her entire library of wines. Many wineries keep their inventories of bottled wines at independent storage facilities offsite, where wines are sometimes aged several years in the bottle before being released for sale. Johnson, on the verge of profitability, suffered a two-year setback, having lost her 2002 and 2003 vintages.

Capitalizing on her organic farming practices while she waits to make and release her 2005 and 2006 vintage wines, she is expanding beyond the grape monoculture to include olive oil and pomegranates, as well as goats, sheep, and guinea hens.

As president of ZAP (Zinfandel Advocates and Producers), she plans on writing a cookbook on Zinfandel and wine-food pairing

combinations with the input of local celebrity chefs.

Self-motivated, indeed. Julie Johnson, a gentle spirit of true grit, committed to her beloved wines, will pour again. As one of her wonderful wines is aptly named, *Porqué No*.

VICKY FARROW **Amista Vineyards**

In 2003, Vicky Farrow and her husband Mike realized their long-time dream and established their own winery, Amista Vineyards in California's Sonoma County.

"It was a seed of a dream with my husband started back in 1994, when we decided to landscape our backyard with grape vines," Farrow says. "I was working for Sun Microsystems in northern California, and that landscaping seed soon grew into wanting to produce our own wine."

But, a career change intervened, and Farrow and her husband, who was now retired, moved to New Jersey, where Vicky Farrow began a job with Lucent Technologies. The Farrow family converted their New Jersey basement into a wine cellar to house their first vintage (which they had carried cross-country with them from California), educated themselves about the industry, and retained their dream of someday becoming wine producers.

In 1999, while searching the Internet for established commercial vineyards that were available for purchase, Mike found several California listings that might fit the Farrow family's needs. They flew to California and fell in love with, and purchased, a vineyard that encompassed 20 acres of Chardonnay vineyards and a "decrepit, but charming" 1908 cottage in Sonoma County's Dry Creek Valley.

For the next three years, they continued to live in New Jersey, but flew back and forth to Dry Creek to tend to their vines and begin restoration of the cottage; during that time, they realized some return on the venture by selling their Chardonnay grapes to the well-known Rodney Strong Vineyards.

In 2002, encouraged by friends and enthralled with winemaking and all its related activities, the Farrow family took the plunge. Vicky Farrow retired from technology, and the couple returned to California to make wine and live in the vineyard's restored cottage.

The Farrow family christened their venture



Amista Vineyards, after the Spanish word for making friends, reflecting their core philosophy of sharing and helping others learn about the entire wine experience. Amista varietals include Chardonnay, Syrah, and Cabernet Sauvignon, undiscovered and terrific, a wine label to watch.

Vicky Farrow is committed to supplier diversity, a practice promoting diverse minority- and women-owned businesses in the area of procurement. With better than 60 percent ownership in Amista, she represents a growing genre of majority women-owned wineries. Her corporate background convinced her of the merits of supplier diversity.

"Seeing supplier diversity brought to the wine industry was like a light bulb going off," she says. "While I was at Lucent, I saw firsthand how supplier diversity worked, and I am looking forward to becoming an ambassador in this movement."

VISIBILITY AND WOMEN-OWNED WINES

Introducing majority women-owned wines to corporate America via supplier diversity is the vision of Elizabeth Weeks, vice president and senior financial advisor at Merrill Lynch in San Francisco. Weeks focuses on women executives in the wine industry, and her efforts are helping expand opportunities and eliminate barriers to commerce for women-owned wines.



VICKY FARROW



Targeting *Fortune* 500 companies that are committed to supplier diversity procurement—firms such as Hilton, Chevron, Disney, and Merrill Lynch—Weeks hopes to promote visibility and make a name for women-owned wines throughout corporate America. Placing women-owned wines in executive dining rooms to board of directors' dinners, from annual conferences to client events, from holiday parties to corporate gifting, confirms that wine accompanying food is part of how business is conducted, she says, adding that, in some industries, it is a mainstay in the business model.

Recognizing the sales potential, as well as the considerable corporate support of supplier diversity procurement, Weeks asked herself a simple question: "Why aren't women-owned wines participating the way other women-owned businesses are?"

To heighten awareness of women as winery owners, Weeks developed a tool she calls the "Women-Owned Wine List."® The reason, she says, is self-evident. "A language all business owners speak is revenue generation. Familiarizing supplier diversity programs, as well as women business owners, with opportunities to purchase women-owned wines should do just that."

Weeks points out that the concept of exploring business-to-business opportunities yields some compelling numbers for women-

owned wines. Based upon data from the Center for Women's Business Research, almost half (48 percent) of all privately held firms in the United States are 50 percent or more women-owned, meaning that 10.6 million businesses in this country are at least half owned by one or more women. Women entrepreneurs represent an enormous market as wine consumers, especially because they are brand loyal and many women prefer to buy from other women when presented with the opportunity to do so.

Given all this, Weeks says that getting the word out via women-owned business certification workshops for women winery owners, supplier diversity programs, and outreach to women business owners nationwide, represent the first steps for expansion of women-owned wines. She says she intends to change the corporate image of leaders in the wine industry, adding, "Soon, women-owned wines will move from the lifestyle page to the business section."

That will be a celebration for all of us. Cheers!

CAROLYN TILLIE is a Napa, CA freelance writer (www.carolyntillie.com) who frequently writes about Napa Valley's famous wine country. She can be contacted at 707-688-0297 (e-mail: carrie@carolyntillie.com). 