# Orangewood Wines

# Small Wineries, Great Wines

Volume 5, Issue 22

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### Introduction

It's February already; what happened to January? Too late to get a January newsletter out - my apologies to all of you who have been eagerly checking your in-boxes for it. (Sarcasm!) We did wrap up another year of strong growth and feel positioned to continue with more of the same this year.

### New Sales Consultant: Jimmy Sinadinos

I first met Jimmy because he was looking for wine from Tres Sabores. I helped him find a retailer - as I do for any consumer who calls me. Jimmy has been in the insurance business for many years and fully understands how difficult cold calling is, and how building relationships is the sustainable way to approach sales. He already has relationships with many restaurateurs - as a customer. He also has the enthusiasm for wine that I look for. Jimmy feels that wine sales should be a lot more fun than insurance. Exactly.

### Topic of the Month: Importing

Orangewood is an Arizona wine distributor or wholesaler, yet if you look at the wineries we represent you find wines from all over the world. When the wines are not made in the USA, there is an extra hurdle involved - importing the wine. Generally, when I deal with a winery they tell me the price as FOB (free on board). This is not a self evident expression as far as I am concerned. What it means is that the winery loads the wine into a truck and then it's my problem. I pay for shipping, refrigeration and insurance to get from there to the Orangewood warehouse. Wineries in other countries like to deal the same way. Here is the price of the wine, pick it up whenever you want. While I did experiment with importing a little with Marinda Park (cheers Mark) in the early days, what I learned was that I

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#### **New Customers**

# **Desert Forest Golf Club**

37207 North Mule Train Road Carefree, AZ 85377 (480) 488-4589

#### **GWIN** Wine and Beer

7342 East Shea Boulevard Scottsdale, AZ 85260 (480) 247-9915

#### **J Wine Bistro**

7000 AZ-179 Sedona, AZ 86351 (928) 641-6585

#### **Majestic Marketplace**

601 East Piccadilly Drive Suite 95 Flagstaff, AZ 86001 (928) 773-0313

#### **Nook Kitchen**

(Inside Hilton Garden Inn) 15 East Monroe Street Phoenix, AZ 85004 (602) 258-1037

# Revel - Tucson Wine Bar

416 East 9th Street Tucson, AZ 85705

#### **Thirteenorth Grille**

1301 East Northern Avenue Phoenix, AZ 85020 (602) 795-1397 didn't want to get involved with containers and boats and customs and Homeland Security. For one thing, to make it all work you have to deal in large quantities - pallets (50+ cases) or containers (10+ pallets). Far more wine than I am willing to buy at one time. So we deal with importers who specialize in doing all those tasks at quantities that work logistically and financially. I can then treat the importer as I would a domestic winery. They mark up the original FOB with the costs to get the wine to a warehouse in the USA, and I can buy small quantities and be responsible for shipping to our warehouse.

It turns out that, just like distributors, there is a spectrum of services that importers provide. The "full service" importer works to find wineries that have the kinds of wines they would like to import. They bring some into the USA and then work to find and train distributors (perhaps including themselves in selected states) to sell the wine. At the other end of the spectrum is the "minimum service importer". They do not select wineries or look for or train distributors. Instead they do the minimum necessary to move the wine from the winery to a warehouse in the USA. They are dealing with getting the wine into a container, getting the container to a ship, getting the wine from the ship through customs and into their warehouse. They also provide picking the wines that people like me want and loading them on a pallet, ready to be transported to my warehouse. These minimum services provide a starting point for others. The others may be the full service importers looking to outsource this part of the process, or they may be the wineries themselves, to make their wines more attractive to USA based distributors.

We deal with a number of non-USA wineries that represent several points on the spectrum of importing. Elena Walch (Alto Adige, Italy) and Avignonesi (Tuscany, Italy) both use the services of a minimal importer to get their wines into the USA. They also have a resident sales/marketing person to find and manage distributors across America. Paxton (McLaren Vale, Australia) also has their wines available in the US, but they manage their distributors remotely with periodic visits for training. Domaine Sainte Rose and Champagne Tribaut Schlosser both work through a minimal importer, but for local marketing work with Jack Jelenko of Partners Wine Marketing. Next we have Kysela, a huge importer that imports wine from several hundred wineries. With so many wineries it is difficult for them to provide lots of marketing support for each brand, but they do select the wineries to deal with and own the wines in their warehouse. We bring in some wines from their German and French selections. Finally, we deal with Copa Fina.

Our wines from Argentina, Chile, New Zealand and Spain all come through this full service importer.

## Rambling

It has been a hectic couple of months since the last newsletter. I have been actually rambling quite a bit. Last week, Laurie and I climbed into the Grand Canyon. We had a great time, though we did have wind and snow for the final two miles of the South Kaibab Trail. It was enough to have us wearing crampons and leaning against walls, where available. In January I spent a week in England reminding myself, yet again, why I prefer blue skies and warmth to grey skies and rain.

The Rambler rambles on...

Cheers,

Richard (newsletter writer) and Laurie (editor) Orangewood Wines

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