

An Elegant Sip

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By Leslie Mladinich

Wine, surmises Duckhorn Wine Company President Alex Ryan, is a three-part business: manufacturing, agriculture and entertainment. So when the stock market falls and discretionary income shrinks, little can be done about the agriculture. “You make vineyard decisions in five-year increments,” he says. Manufacturing is determined by the amount of grapes harvested. “We live and die with the volume of grapes Mother Nature supplies us with each year,” he adds. But in terms of survival, you can always pump up the entertainment factor. “The best thing we can do is invite our customers to visit our home,” he says. “We aggressively invite them to spend time here.”

In Napa Valley, which Ryan calls home, the bustling, upper-level administrative offices of Duckhorn Wine Company contrast with what his customers experience downstairs: a large estate with a relaxed welcoming parlor and cabin-style fireplace, an airy tasting room with a rounded bar and restaurant-style tables, and an outside veranda overlooking 10 acres of sauvignon blanc and Semillon grapes. Since 2000 when Duckhorn, a client of Heffernan’s Petaluma office, opened its vineyards estate for visiting and tasting, improvements and catering to the customer have been a top priority, explaining why tourism there is increasing even during the recession.



Last year’s opening of the wrap-around veranda accommodates everything from large parties to intimate couples. One weekday in early spring guests take seats before 10:30 a.m. to sample the premium winery’s offerings. Tasters waiting for their reservation are greeted with bottled water sporting the Duckhorn label and a group of tasters who ask the server for directions to their next destination are given a printed-out Google map. Tastings have two price levels to fit budgets, sharing is allowed, and if the read on the crowd has a certain buzz, a bonus tasting may pop up for lucky visitors.

“It’s more an experience than just walking up to the bar and wine tasting,” says Maureen Callahan, Duckhorn’s corporate secretary.

More than 50,000 visitors a year, around 350 daily in peak seasons, visit Duckhorn’s three distinctive estates: the main site in Napa Valley’s St. Helena, Paraduxx off the Silverado Trail in Napa Valley and Goldeneye in Mendocino’s coastal Anderson Valley. A new solar-powered Pinot Noir winery at Goldeneye is ahead of schedule to open this year. Because of the economic downturn and the competitive nature of the current construction market, Ryan says, it is opening under budget.

Ryan says with each brand and site offering a distinct personality, Duckhorn is experiencing what Ryan calls “a flight to safety” from customers.

“Consumers want assurance that the quality of wine in the bottle they purchase will deliver what they expect,” Ryan says.

Duckhorn sells around the globe, exporting to Canada, Asia, and the Caribbean and even having a meaningful presence in the very competitive European wine market. It has 150 employees, owns and farms 12 estate vineyards across the two valleys which accounts for nearly 400 acres of vines that produce grapes for its wines.

As Duckhorn has been building its brand for over 30 years, this isn’t the first economic downturn it’s weathered. In 1976, Dan and Margaret Duckhorn, along with ten other families, purchased the 10-acre property in St. Helena that is now the home to the main estate. Through the years Duckhorn has expanded its portfolio to site-specific wineries and emerged as a specialist in Merlot. Its Three Palms Merlot is made with grapes from the same vineyard that produced its first bottle in 1978.

A BIRD’S-EYE VIEW

The brand loyalty it’s built up in its 30 years has also resulted in Duckhorn allowing wine enthusiasts a bird’s-eye view of its process. There are different tours tasters can take, including one at the Paraduxx winery that allows them to make a signature blend. Hidden back behind the resort-style Duckhorn Vineyards is a crash course in viticulture for guests who sign up for a more intensive tour. During harvest time, forklifts, fruit sorters and destemmers hum next to a laboratory that tests samples from all three wineries. The estate holds 3,500 wine barrels.

Like other businesses, it has been forced to modernize in order to get its name out. Ryan joked that in the late 1980s winery employees stood around and wondered what they’d do with a \$1,400 fax. Now Duckhorn’s website has its own video library with YouTube clips that let visitors meet wine

makers and get an up-close-and-personal account of blending and wine label details. Spreading its name and inviting guests in for a taste of luxury is vital, as some industry analysts forecast that the greatest growth in wine right now is in the \$12 to \$20 range. This leaves Duckhorn, whose bottles run mostly \$50 to past \$100, out. However, there’s been an uptick in its 375 milliliter, half-bottle business where Ryan notes that “people can get a taste of luxury without buying the whole boat.”

A recent presidential nod won’t hurt the profile of Duckhorn in this tight economy either.

DINNER WITH THE PRESIDENT

Sen. Dianne Feinstein (D-CA), Chairman of the Joint Congressional Committee on Inaugural Ceremonies, chose two Duckhorn wines, a 2007 Duckhorn Vineyards Sauvignon Blanc and a 2005 Goldeneye Anderson Valley Pinot Noir, to serve the popular new administration. Ryan notes that people can click on the luncheon’s menu to see how the two varietals were paired with seafood stew, pheasant and duck. Ryan says it was exciting to participate in the christening of a new era for the country.

“To be a part of that amount of change is a phenomenal source of pride for employees and the entire company,” says Ryan.

And then there’s good old-fashioned getting the word out, which Duckhorn does through the year at a myriad of events. A glance at its calendar finds executive winemakers and company founders at Donald Trump’s golf course in Los Angeles and a humane society benefit in its own backyard. Meeting the customer is always a high priority, says Ryan.

“There is no such thing as a bad event.”