

COURTESY SAN BERNABE VINEYARDS



Scott Scheid '82

SCHEID VINEYARDS

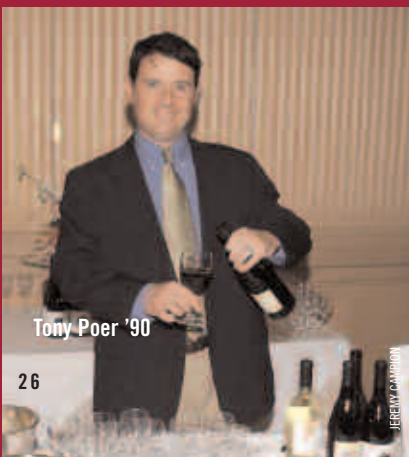


A.J. Kemp '02

HAWKS VIEW VINEYARD LLC

“Much of the industry is driven by the passion and the emotional side. On the other hand, there’s a great potential for the analytical side to help foresee long-term trends, to be on the leading edge of technological advances in the vineyards.”

—CLAUDE HOOVER '75



Tony Poer '90

JEREMY CAMPBELL

LIQUID ASSETS

CMC-educated vintners apply solid backgrounds in economics to a specialized agribusiness

BY STEPHEN SCHENKENBERG

While the Greek poet Alcaeus once wrote, “Wine is a peep-hole on a man,” we might today say that men—five men, specifically—can provide a peep-hole on wine.

Indeed, conversations with five CMC alumni in various wine industry roles offer one a view of the complete cycle of wine: the grape-growing, the bottling, the marketing, the pouring, even the rating. Let’s look through.

Claude Hoover ’75 had spent six years in real estate and banking when, in 1981, a principal for the Delicato Vineyards, one of his clients, put his arm around him and said: “Come work for us.” He accepted, eventually serving as Delicato’s COO and, currently, COO of Delicato’s San Bernabe Vineyard, the most diverse single vineyard in the world.

Leading such a large vineyard, Hoover says, “is almost like being mayor of a city.” The vineyard has 13,000 acres in one location, with 21 wine grape varieties grown on more than 120 distinct vineyard blocks. “What I’m really dealing with is a very large infrastructure,” Hoover says. “Even though how we use our land may change over the years, it really is an integrated approach of how we create the most value, how we can best manage those assets in the context of Delicato and our industry.”

Armed with an MBA in finance, Hoover is well-prepared

to discuss the structured, economic side of vineyard life. “The structure is what helps define the better-performing versus worse-performing members of the industry,” he says.

“Much of the industry,” Hoover admits, “is driven by the passion and the emotional side. On the other hand, there’s a great potential for the analytical side to help foresee long-term trends, to be on the leading edge of technological advances in the vineyards.”

Technological prowess is nothing new to Scheid Vineyards, started and managed by CMC father-and-son team Al Scheid ’57 and Scott Scheid ’82. Through its Web site, the vineyard provides VitWatch, a state-of-the-art information system that gives clients real-time access to their contracted blocks of grapes. This includes, among many things, a weather update every 20 minutes of the growing season.

“Our attitude is, ‘We can’t change any of these things,’” says Scheid senior, chairman of the board. “They’re immutable. The customer has a right to know. So we make it easy for them to find out. We’re the only grape-growing company that I’m aware of, probably in the world, that does this.”

Scheid Vineyards, considered the country’s only publicly held grape grower, is expanding, with a new winery that began operations this year. “We’re simply responding to

A TASTE OF CMC



market forces,” Al says. “You can’t change the market. You have to respond to it.”

CEO Scott Scheid, who joined the business in 1986 after working as an options trader in New York, agrees that strategic growth is key. For instance, Scheid Vineyards has entered the business of making wine. “Formerly,” Scott says, “we just grew grapes and delivered them to our customers. But as the industry changed, they said they’d like us to take the next step. Had we said ‘no’ to that, we wouldn’t have those customers, or we wouldn’t serve them as well.”

“...you must never lose sight of the fact that you have a client that wants a product, and you have to deliver it on time, in good condition, and keep him happy.” —AL SCHEID '57

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A Harvard Business School graduate, Al has a simple message for Scheid’s staff: “You’re business people: you run a good business, good things happen. You can get all wound up in the romance—it’s fun to go to the wine tastings—but you must never lose sight of the fact that you have a client that wants a product, and you have to deliver it on time, in good condition, and keep him happy. And then, he will pay you.”

And yet, it’s difficult not to be charmed by the rugged romance of it when listening to A.J. Kemp ’02, manager of Oregon’s Hawks View

Vineyards. After completing CMC’s Robert A. Day 4 + 1 BA/MBA Program, Kemp sidestepped the investment banker route, instead walking knee-deep into the fields and understudying with Hawks View’s viti-culturalist for 16-hour days. “It was incredibly challenging,” Kemp says. “I



Al Scheid '57

SCHEID VINEYARDS

realized I needed to leave the cubicle paradigm behind.

“I got there right at bloom, and I saw the process begin of growing a wine grape,” Kemp says, recalling his first harvest. “I always wondered why everyone thought it was a beautiful thing, why everyone was so enamored with wine. As the season went on, I became quite attached to what was going on on the vine,” he says. “It controlled my mood and emotions, and I felt a real connection with the land.”

After pulling fruit, Kemp was invited by a client to spend two months at harvest, where he got the opportunity to unload the grapes at a winery, to process the fruit and put it in barrels, to rack it, and, later, to bottle it. “That opportunity to see the total life-cycle of a grape—and the beginning of the life cycle of wine—made me appreciate the idea of aging,” he says. “In a greater sense, I think it started me looking around the world and appreciating the beauty of other places. I surf. I began to wonder about the processes that got these waves here.”

Kemp stops for a moment. “I know that sounds a little ethereal and hippy-dippy and funny, but truthfully, it did. It allowed me to appreciate beauty and the processes which create beauty in the world.”



Delicato Monterey Winery

COURTESY SAN BERNABE VINEYARDS

Of course, the process doesn’t end there. The wine must reach those for whom it was made. Enter Tony Poer ’90 who, with his chef-wife, co-founded PoerWine Productions, an innovative traveling wine bar for corporate and special events.

Poer’s connection with wine began in college, when he was studying in Florence and experienced what he describes as a transforming event at a local tasting. After graduating, he worked at the highly regarded Willi’s Wine Bar in Paris,

then returned to California to work in wine retail, partner in a San Francisco wine bar, and market small local wineries. When his wife suggested putting on corporate wine tastings, PoerWine was born. Since fall 2003, Poer has done tastings in Chicago, Newport Beach, San Francisco, and Scottsdale.



Claude Hoover '75

COURTESY SAN BERNABE VINEYARDS

Poer, who also works as the California sales manager for Meyer Family Cellars in Mendocino County, says he enjoys explaining to attendees how “under-the-radar wineries” exist and thrive among the big names. His tasting advice to his clients: “Be curious. Trust your palate. Explore your options.”

Exploring their options—and following them—is exactly what these five have done. And despite their different paths and roles, they share a confidence in the benefits of their CMC experience. Hoover talks of the “intensive education opportunities,” Al Scheid of “the very good professors who taught you how to think,” and Scott Scheid about learning “the fundamentals.” Up in Oregon, Kemp calls his CMC years a “wonderful experience, incredibly challenging,” while Poer is grateful for the “discipline of having to write and create—and having an organized thought pattern.”

And there is the peep-hole again, showing the shared qualities of discipline, creativity, organization. These alumni not only provide a peep-hole on wine; they also do so on the place that launched them into life.

Stephen Schenkenberg is a St. Louis-based freelance writer.

IN GOOD TASTE

COURTESY SAN BERNABE VINEYARDS

More than one of this article’s profilees mentioned weather as an inherent challenge of the business. Enter Orley Ashenfelter ’64, who takes it even further: weather can be *the* determining factor in the quality of wine, he says. Ashenfelter, the Joseph Douglas Green 1875 Professor of Economics at Princeton University and former editor of *The American Economic Review* and the newsletter *Liquid Assets*, has gained notoriety for his system of rating certain European red wines using a formula based on two variables: temperature and rainfall. According to Ashenfelter, who rules according to weather data, it is dry, warm weather that produces the best wines.



Ashenfelter

COURTESY PRINCETON UNIVERSITY

Though wine critic Robert Parker Jr. called his methods “ludicrous and absurd,” the sunny Ashenfelter is confident his system works, and he says his academic peers agree. The industry doesn’t like it, he says, because “they don’t gain anything by it.” And the general public won’t spend the time to become their own experts, particularly with a system that “demystifies things people would rather have mystical.”

The industry’s cold shoulder hasn’t soured Ashenfelter’s relationship with wine. After explaining how “something quite magical happens” in certain wines as they age, he speaks in a way that allows room for the emotional and economical to coexist.

“When you buy a good red wine,” he says, “you’re always making an investment, in the sense that it’s probably going to be better later. And what you’d like to know is not what it’s worth now, but what it’s going to be worth in the future. Even if you’re not going to sell it—even if you’re going to drink it. If you want to know, ‘How much pleasure am I going to get by delaying my gratification?’ That’s an endlessly fascinating topic.”