



# The Pattern Language of Vineyards

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Simplifying the decision points for  
those who can't resist the many  
temptations of the grape.



# Three Complex Enterprises

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- The vineyard
- The winery
- The Store
- &  
Capital appreciation of land—which we will ignore for today.



# Christopher Alexander

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The background of this attempted simplification is an excellent book (or books) on pattern language. Alexander says, basically, that any human used to be able to build their own house or barn and groups of humans built villages and towns. Most of these were both functional and beautiful. **However---**

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# Duncan strip & Gallo jugs

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Industrialization gave us architects & mass markets, strip malls of uniformly appalling ugliness, leaky condos and groups like the CFIA experts who put most of the chickens in BC into a few square miles so that diseases can spread far more rapidly and the CFIA can expand its empire. **Now, the CFIA wants you!**

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# Everyone can make wine

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Some of the best wines in the world are made from specific vineyards of only a few acres, using fundamental processes that are unchanged over centuries.

Alexander's pattern language for buildings has 253 terms—which were once part of a common vernacular.

What are the terms of a pattern language for wine growers?



# Two levels: vineyard & region

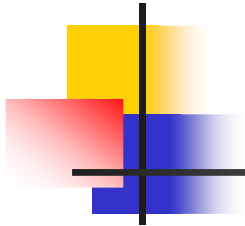
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- Pattern language for individual winegrowers
- Pattern language for winegrowers of the wine islands

Not Napa. Not Burgundy. Not Tuscany. Ourselves. A long way from 253 terms, but one must start somewhere.

What a pattern language does is enable a group to share expertise as they each develop it.

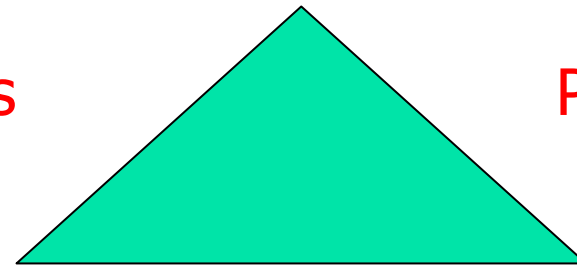
The first term is the magic triangle.



Image

Margins

Production



You need to think this through –for you– before making any decisions.

Not whether you buy 2 acres or 200.

Not whether you do 200 cases or 2000.

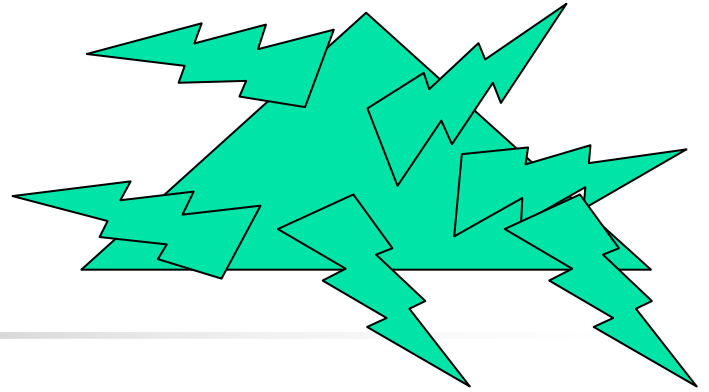
Not whether you have a staff of two or fifty.

**What, for you, is the proper relationship among these three key elements? Start anywhere.**



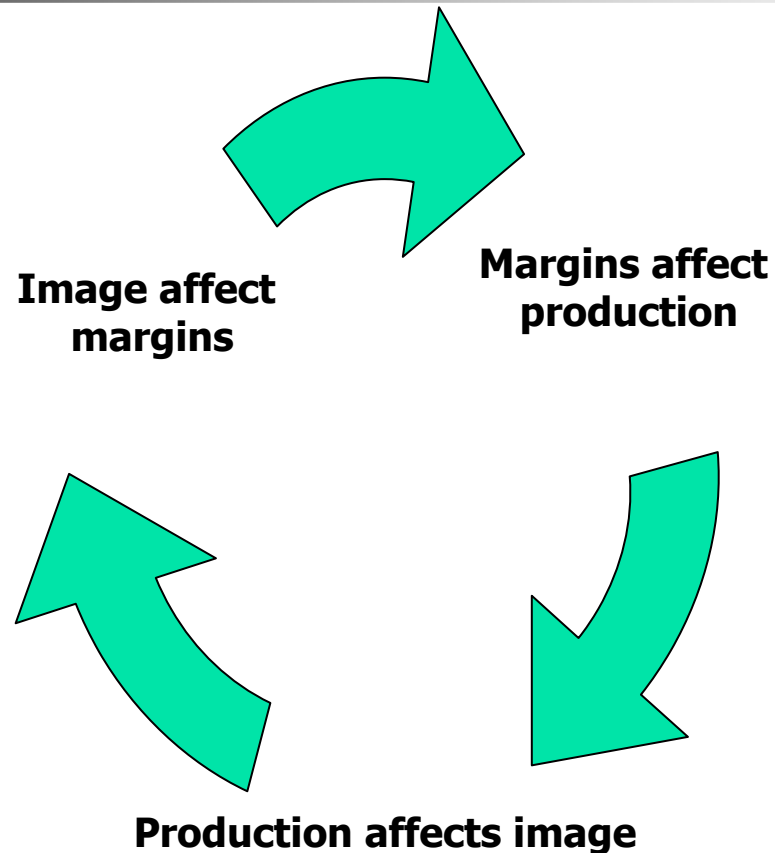
# Big, bigger, bust!

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- Image: BMW, Jeep, Hummer, Miata, Rolls, Concorde?
- Margins/capital: lots of one or the other—can you afford your image?
- Production levels. Production affects image and margins. Production is affected by image and margins.

# Can you visualize a happy day in the life of you, the winegrower?



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# Start with your image; there are hundreds, not 2 or 3.

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**Image:** BMW, Jeep, Hummer, Miata?  
Zanatta, Mission Hill, Saturna, Garry Oaks?

- ego/id
- personality
- price points
- the general story
- the land story
- the expertise story
- joy versus angst=a key pattern



# Got that? Then which businesses are you in?

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- If all three, there's the combined pattern.
- And there are also patterns in each business.
  - A. Just a vineyard. Very possible.
  - B. Just a winery. Possible.
  - C. Just a store. Theoretically possible.
- Small & Medium & Large for each.

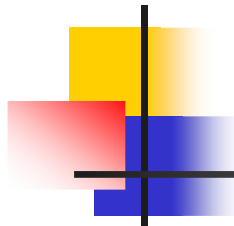


# Margins & 3 rules of thumb. First thumb.

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- Vineyard

- Bordeaux first growths: 35 to 50 hectolitres per hectare
- Equals 150 to 225 cases per acre
- Equals about 4 tons an acre
- Not too likely with Pinot Noir in Saanich
- More likely is  $\frac{1}{2}$  of that in a good year and  $\frac{1}{4}$  of that with a rough spring IF your image is of top quality wine.
- 1200 plants and 1200 bottles per acre.



## 2<sup>nd</sup> thumb

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- Store/selling
  - However you do it, assume 30 percent is gone; at least.
  - Your store: staffing, the tasting bottles, miscellaneous
  - Stores/restaurants: sales agent, the tasting bottles, bad debts, shipping, miscellaneous
  - BCVQA/LDB VQA—closer to 50% or 70%.



## 3<sup>rd</sup> thumb: two buck chuck~~~

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- Winery
  - From your vineyard, at about two tons an acre: 120 cases per acre in a decent year.
  - Tanks, barrels, yeasts, enzymes, time: \$2 a bottle if small; \$1 if larger.
  - Bottles, labels, bottling, storage, spoilage. Similar range.
- Usually cheaper to buy than to grow but that affects your image, which may say costs of \$10 a bottle are required here. **This is the best place to control margins. Chuck made money!**

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# The chasms



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- For each business, there are safer levels and dangerous levels of production.
  - Vineyard:
    - Small is under two acres. Backpack and hand tools. No real contractors yet.
    - Two tons an acre and \$2,000 a ton (prime) and you might break even on your labour. And have a wonderful time. A vineyard of paradise.



# Vineyard: chasms and plateaus

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- Between two acres and 15 can be a chasm
- Either you have a big, strong, healthy family who love minimum wages or
- You invest \$50,000 to \$100,000 in equipment and watch your margins fall to very negative territory  
OR
- A co-op of some kind.
- At about twelve acres it starts to stabilize and you can look at hiring a part-time vineyard manager.



## 2<sup>nd</sup> chasm: vineyards

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- Nobody on the island has really hit that yet, but there is a huge wine glut in the world. If the islands get above 2,000 acres of vineyards, exporting will become a larger requirement.
- With our land at \$15,000 to \$50,000 an acre, it's hard to compete with Australia at \$300.
- Another way to get to the second plateau more quickly is to combine with others. Lots of \$15,000 pieces of equipment in a vineyard get used perhaps 50 hours a year. The "Starling" term.



# First plateau: winery

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- Technically, a licence is tied to a minimum production capacity.
- So small can be defined as 500 cases.
- Retail at \$20 and capital investment of \$40,000 (tanks, barrels, pumps, bottler, filters, press etc) means about 90 cents a bottle going to interest and a 15 year amortization, which is reasonable if this fits your image.
- BUT, is your vineyard now in the chasm zone?

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## Second plateau: winery

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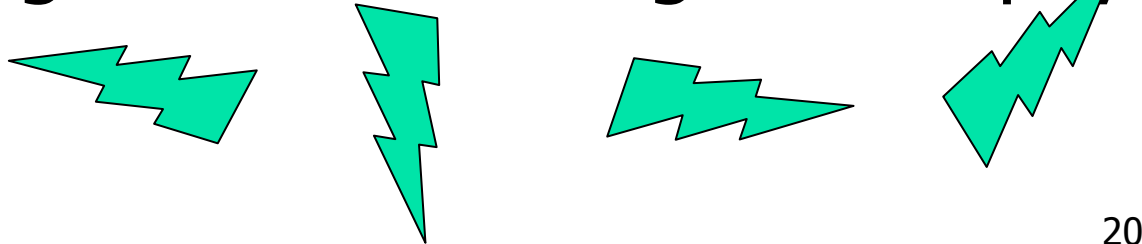
- 500 to 2000 cases can be tricky, but not as difficult as the interim levels of a vineyard. Buildings can be the difficult element to scale smoothly.
- You can buy some juice or bulk wine; you can contract out some bottling; you can rent, buy, share some equipment; you can contract winemaking expertise.
- 2,000 – 5,000 cases, if planned for, can be a fairly safe level, assuming your buildings were planned for that level.
- 5,000 plus. Time to hire a winemaker.
- Don't forget the cost of building inventory!



# Store chasms and plateaus

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- Why did VEW implode? Lack of balance in the store operations. 10,000 cases sold in the first year is potentially great. But, if you're selling it at a net average of only twice your costs of production and your selling costs are 97% of revenues, guess what! Image won't pay the bills!



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# Store chasms

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- Like a vineyard, your store is a long term investment and weather dependent.
  - The best customer is the repeat customer. You don't always get them by charging \$5 for a tasting.
  - It's somewhat more scalar, but it's time and focus based; always work on at least a 3-year plan.
  - How many customers do you expect to run through in August? In March? Do you have staff, facilities, events, etc & etc to make that number?
  - Potentially, it can be a profit-centre on its own: food, gifts, services, related products, events. But is this why you got into the game? To sell corkscrews?



# Outlet chasms

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- Many wineries who are in a reasonable balance, make a minimal own-store effort.
  - Restaurants: yet another game to learn.
  - CBW's: getting better, but still a different game.
  - The new BCVQA discount: an important new factor. Is 60% to you enough if one store sells 60 cases in a month?
  - ego/id & how **you** sell; no single correct pattern.

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# The balance check list

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- Balance affects everything.
  - Labels: an image of your image, but is it worth 10% of retail? 5%? 1%?
  - Your hours of opening.
  - Your charity program.
  - Weeds in the vineyard.
  - Roses in the rows.
  - That new sprayer OR press OR grape variety.
  - You can't do everything; thinking of patterns helps keep what you do choose to do more coherent.



# Three questions

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- Do I believe my own stories?
  - the general story
  - the land story
  - the expertise story
- Did I spend 20% of today on my education?
- Am I having more fun than I expected?



## Two more questions

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- Have I at least thought of a remedy for the parts of this activity that are currently less balanced than I would like?
- Is the money coming in roughly proportional to the money going out OR does it at least look like it will be in the less than distant future?



# Margins & spread sheets

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- Price less
  - Excise
  - PST
  - GST or net GST
  - Delivery
  - Discounts
  - Sales force? Your time? Store costs? Free pours.
  - =HSL.



# HSL

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- **HSL.** Hopefully something left.
- Build up.
  - Cost of grapes (grown or bought).
  - Annual general winery costs.
  - Costs of holding inventory.
  - Bottling & labelling costs.
  - =cost of goods **CG**
- **HSL- CG = margin**

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# The Larger Picture

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- Once that's all under control, you'll have lots of time for working for WIVA & WIGA.
- There is room on the islands alone, even without tourists, for 100 ten acre vineyard/wineries.
- With tourist, we more than double that. This is a paradise for agritourism and agritourism is our best defense against the wine glut.
- More good wineries here benefit all wineries. I see that every new winery increases my sales.
- Our general story is a of the wonders of creative, somewhat eccentric, iconoclastic diversity.

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# Pattern language of community

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- Just as there is no specification for the ideal individual vineyard/winery, so the design for a community of vineyards in many sub-regions is nothing more than the inevitable results of integrating what already exists and what is continually being recreated.
- Working with either of these groups is a great way to learn the patterns and get answers (often contradictory) to the specific questions you face.

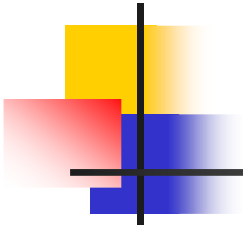
# Pattern Language for WIVA & WIGA



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- Again, we start with the magic triangle, but what is being produced is not grapes, mead, wine and single malts.
- A decent regulatory environment. Ban CFIA.
- Support for new entrants.
- Useful R&D that helps us all.
- Promotion of the region with integrity & intelligence.

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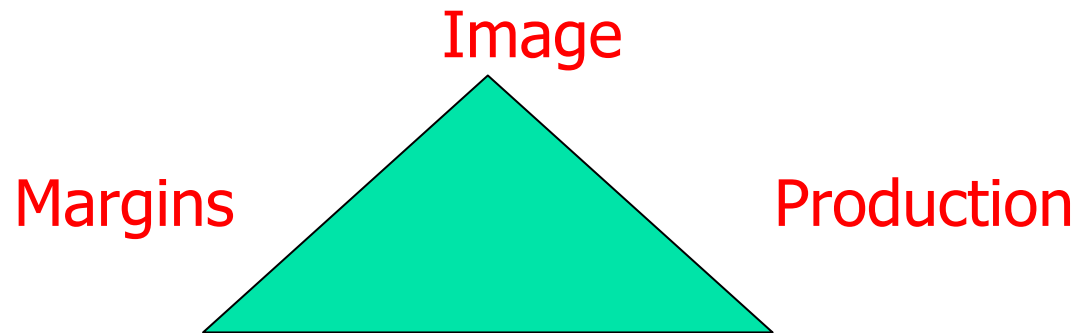


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# The magic triangle of balance

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What, for you, is the proper relationship among these three key elements?

Think this through –for you– before making any decisions.

Then, buy 2 acres or 200.

Then, produce 200 cases or 2,000.

Then, hire nobody or hire a staff of ten.