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ON WINE

A Pinot Noir Success Story: Reliable Quality, Excellent Value

The four friends behind Oregon's A to Z Wineworks have hit on a winning formula. How do they manage to produce a Pinot Noir so affordable, widely available and consistently good, vintage after vintage?

By Lettie Teague

WHAT ARE THE odds a small-production Pinot Noir casually launched by friends would become the best-known wine of Oregon and the linchpin of a company that reported over \$43 million in revenue last year?

A to Z Wineworks of Newberg, Ore., is now in its 19th year. While A to Z Pinot may not be Oregon's greatest wine, it's reliably good year after year, reasonably priced and widely available. Its success is a testament to winemaking talent and business acumen as well as the enduring friendship between the two founding couples, Deb and Bill Hatcher and Cheryl Francis and Sam Tannahill. I've followed their story since the winery's earliest days. It includes interesting twists and even an investment by a legendary NBA coach, as well as valuable lessons on building a brand.

Both couples had been in the Oregon wine world for years before deciding to co-produce a wine. Mr. Hatcher had been managing director at Domaine Drouhin Oregon; his then-wife Deb (they've since amicably divorced) had held various roles at Eyrie Vineyards and Veritas vineyards. Mr. Tannahill had just left his position as winemaker at Archery Summit, and Ms. Francis was winemaker at Chehalem Winery.

Both couples had been separately considering producing a wine when they decided to join up. The Hatchers had already purchased some Pinot Noir fruit when they ran into Mr. Tannahill at a tasting at Archery Summit, recalled Mr. Hatcher, currently chairman of the board of A to Z Wineworks and Rex Hill. The Hatchers mentioned their idea of producing a small-production Pinot Noir, and their friends said they were thinking of the same thing. "Deb said 'Let's join in,'" said Mr. Hatcher.

Ms. Hatcher, chief marketing officer at A



GRAPE MINDS Left to right, A to Z founders Cheryl Francis, Sam Tannahill, Bill Hatcher and Deb Hatcher. PHOTO: HADLEY HATCHER

to Z Wineworks, recalled it this way: "We were tasting through barrels at Archery Summit with Sam in his last days there. I really wanted one in particular, and that's when Sam said he might want it, as they were thinking of making a blend, too, but a one-off. I thought it was silly to compete with each other, and I suggested we team up."

The Hatchers funded the project with a mortgage on their house and their children's college fund, said Ms. Hatcher. Although she'd championed the plan, she admitted, "I was scared silly. I was afraid we'd lose the house." Ms. Hatcher was the one who came up with the name A to Z, because the wine was a blend of grapes from vineyards all over Oregon. She also liked the idea the wine would appear at the top of an alphabetical

list. And when she was pitching to distributors, no one forgot the name: "In all these years only one person has ever said, 'What's the name of your winery?'"

The first vintage, 2002, was just over 2,500 cases. "It was going to be a one-and-done," recalled Ms. Francis. "But after we bottled it and started selling it, we said, 'We want to keep doing this,' and one vintage became four vintages." They made the wine then—as they do now—from grapes purchased from growers, though they grow some grapes of their own and the quantity is exponentially higher today: around 200,000 cases of Pinot Noir.

Ms. Francis is one third of the A to Z executive winemaking team along with Mr. Tannahill and executive winemaker Michael Davies, who joined the company in 2006.

She attributed the longevity of their partnership to the fact that each member of the team has a specific, different focus: “We’re not just partners, we have jobs,” she said. Ms. Francis further noted they were wise enough to hire Amy Prosenjak in 2007 as CFO and later promote her to president and, two years ago, CEO. Without Ms. Prosenjak “we could have killed one another,” said Ms. Francis. Ms. Prosenjak joked that one of her chief responsibilities has been to say “No” to the four partners.

The winery’s success is a testament to talent and business acumen as well as an enduring friendship.

By the time Ms. Prosenjak joined, the company was a much bigger enterprise. The partners had purchased Rex Hill at the end of 2006 for \$10.5 million. Previously, A to Z had small lots of Pinot Noir in winery tanks all over the Willamette Valley; they needed a central winemaking location. “We were making wine in four different wineries,” said Mr. Hatcher. Rex Hill had a production of around 35,000 cases at time of purchase; the partners whittled that down to 8,000 cases, prizing quality over quantity.

The acquisition necessitated additional investors, one of whom, famed NBA Coach Gregg “Pop” Popovich of the San Antonio Spurs, Mr. Hatcher had met when he was at Domaine Drouhin Oregon. Mr. Popovich, well known for his wine acumen, had been visiting the winery with friends. “We’d heard about the Willamette Valley, and my wife and I were looking at land adjacent to DDO,” recalled Mr. Popovich. Over glasses of wine, after shooting a few hoops at the winery, a friendship was born. Years later, when Mr. Hatcher approached him, “I felt Bill and his wife would do a great job,” said Mr. Popovich. He became the winery’s first investor in 2005.

One of Ms. Prosenjak’s key responsibilities as CEO has been to develop an effective distribution network. A to Z Pinot Noir is sold in every state and numerous foreign countries; some states have multiple distributors. The brand has grown beyond Pinot and now includes whites, rosés and sparkling wines. Still, the Pinot Noir, at 200,000 cases, accounts for half of A-Z Wineworks production. (The Rex Hill wines are produced separately and sold at much higher prices.)

Unlike most Oregon Pinots, produced from vineyards owned by the wineries, A to Z’s is produced from vineyards around the state, including the Willamette Valley, Columbia Gorge, Rogue Valley and Umpqua



A to Z Pinot Noir is affordable, widely available and consistently good.

Valley. “It’s 10% Gorge, 30% from Willamette and 60% from southern Oregon,” said Mr. Tannahill, who oversees grower relations. The team has worked with the same growers for years. For the Pinot, they currently work with 23, whose holdings range from a few acres to 350.

Fruit from southern Oregon is more affordable because the cost of vineyard land is so much lower than it is in the Willamette Valley. For instance, an acre of bare vineyard land in the prime Eola-Amity Hills appellation of Willamette might cost as much as \$150,000-\$175,000 vs. \$20,000 an acre on average in Southern Oregon. Maintaining a consistency of style is key. Mr. Davies described the A to Z style as “accessible—with firm tannins, bright acidity and bright fruit—true

to the Oregon identity.” Both Mr. Davies and Mr. Tannahill noted the 2018 vintage on shelves now as a great one for them and Oregon. “It will go down in my mind as one of the best we’ve made,” said Mr. Tannahill. The bottle I bought (\$17) was bright and savory with crisp red berry notes and lively acidity, thoroughly pleasurable.

Why not make even more wine? The partners acknowledged there was potential, but wondered what the point would be if the quality suffered. “If we did that it would simply become a beverage,” Mr. Hatcher said. “One of the big questions in life is ‘How much is enough?’ ”