

Orangewood Wines

Small Wineries, Great Wines

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Introduction

This month's newsletter covers two important topics. First, I signed an agreement to sell the company. Second, we are revisiting our pricing.

Sale of Orangewood Wines

Message from the Founders - Laurie and Richard Corles

Just over 5 years ago, I wrote about an exit strategy. At the time we felt that we needed to have a new owner within 10 years. How could Laurie and I pass the Orangewood Wines baton to someone else? Since then, I have spoken to many candidate purchasers. However, there was always something not quite right, and those plans came to naught. We have now found someone. We are excited to announce that we will shortly have a new owner – Shelbi Herring, owner of Copa Fina Wine Imports based in San Diego. The deal is done and the transition begins.

Shelbi Herring started out from college with one of the top management consultancy firms. She lived a whirlwind existence of advising companies and living on planes and in hotels. After 5 years of this she had an opportunity to escape. She chose to take some downtime in Argentina, where she fell in love with the wines and the families that make them. Back in the USA, working for a large retailer, she became frustrated by management. So, she put together a business plan based on importing wines from Argentina. It looked good and Copa Fina was in business. Meanwhile Orangewood had been searching fruitlessly for a Malbec. Shelbi had one that fit the bill. That was 10 years ago. We have been working together since then and have found that we share many of the same values: great customer, supplier and



employee relations that start with trust and respect; and a passion for wines and small wineries.

Orangewood will continue to be managed by Laurie, Leslie and myself. There are no changes to our staff or our suppliers. One big difference that Shelbi brings as the new owner is youth, thus allowing for continued carrying of the baton.

Sales

In January we increased many of our prices because of the logistics problems and increased costs from 2021. Leslie and I sat back and figured we would be able to get by until next January before revisiting this. We obviously had no clue that China would continue its Covid lockdowns, that there would still be serious bottlenecks getting ships to the west coast, that a war would start and the price of gasoline would go from \$3.30/gallon to \$5.15/gallon. It is changing our calculations. Our trucking costs usually have a fuel surcharge. As recently as a month ago it was 15%; we just got one at 57%. We are trying to keep our increases modest and to that end we will be asking our customers to help with making our deliveries more efficient.

The Rambler

It's officially the monsoon season. (That is, it's after June 15.) We have even had some rain. Humidity is definitely above bone dry, and the usually perfectly clear blue sky has some puffy clouds in it. I see one that looks like Big Bird.

It seems as if I should be reflecting on 21 years of Orangewood. You have a kid, you help them to grow so that they can fend for themselves, then you find they are adults. It's time to let go, except that I won't be. Hanging on in quiet desperation is the English way...

The Rambler thought he had something more to say...

Cheers,

Richard and Laurie
Orangewood Wines