

The Business of Wine: Opus One Winery An Evening with Brand Leaders

The Business of Wine was an event organized and designed by Riverview Capital's Business Advisory Group. Michael Silacci and France Posener of Opus One Winery and longtime industry expert Todd O'Connell of Martignetti Companies discussed the business of running a premier winery and brand.

Michael, France, Todd and Alan Arcadipane enjoyed dinner paired with Opus One, and had an intriguing conversation about the business of wine. But first, what is Opus One?

Opus One has a rich history. Its founders, Baron Philippe de Rothschild and Robert Mondavi, transformed the world of wine.

Possibly the most renowned member of the well-known Rothschild family of France, Baron Philippe took over his father's Chateau Mouton Rothschild at the age of 20. He implemented new ideas and proved himself to be a gifted businessman.

Iconic figure Robert Mondavi was one of the most influential New World wine pioneers in recent history. "New World" describes wine made outside of the traditional wine countries of Europe, and Mondavi was a leader in the American wine industry. A marketing genius, he was credited with improving wine making technique. Although many people recognize the Mondavi name from mass market wines, Robert Mondavi's passion was the creation of premium California wines.

The story of Opus One began in 1970, when Baron Philippe de Rothschild and Robert Mondavi met for the first time. After a candid conversation the two decided to start a joint venture which would unite Mondavi's New World wine style with Baron Rothschild's traditional French style. After years of fine-tuning what is now an internationally renowned wine, the first vintage of Opus One was created in 1979, and a year later the partnership was announced. Mondavi and Rothschild had joined forces to bring about their shared vision: creating the first Bordeaux produced in the United States.

After selling a single case of wine in 1981 for \$24,000, Mondavi and Rothschild designed a label and established an official name for the premium brand.



Wanting a name easily recognized in both English and French, they chose Opus One. The Latin word "opus" refers to the first masterwork of a composer, and this name seemed fitting for their masterpiece.

The first vintage was released to the public in 1984, establishing Opus One as America's ultra-premium wine brand. A few years later, Opus One's 1985 vintage was exported and became the first ultra-premium California wine to be sold in France, the United Kingdom, Germany and Switzerland. Today, the international demand continues.

Opus One is now partly owned by Constellation Brands, Inc. but operates independently in three key areas: vineyard management, domestic and international sales, and administration. The leadership team charged with maintaining the integrity of the Opus brand includes respected winemaker Michael Silacci and Eastern Division Services Manager France Posener.

Michael Silacci started with Opus as the director of viticulture (the science, production and study of grapes) and enology (the study of wines) in March 2001 and moved on to become winemaker in January of 2004, overseeing all aspects of vineyard management and winemaking. Michael's expertise

ensures that Opus One maintains a connection between viticulture and winemaking.

Eastern Division Services Manager France Posener has 20 years of experience in the wine industry. France regularly speaks at venues on the East Coast as a wine educator on the history and distinctiveness of Opus One.

Michael and France offered several key insights on their business practices. Here are six valuable takeaways from Alan's conversation with Opus One's leadership team.

1. Good management keeps a company successful.

Michael Silacci is a great example of strong leadership, an essential quality Riverview believes sets the tone for a company and its culture. With a calm demeanor and no hint of pretense, Michael explains: "I don't believe in a pyramid but rather a flat management structure. You must be careful with this approach; at times you can smother people."



2. Hire the right people.

Michael emphasizes the importance of having the right people on your team to prosper. "I try not to manage people; I hire the right people and manage ideas. Hiring the correct person for the team is where you make very important decisions. If you really want to know

about a company or management team, watch their entire interviewing and hiring process. This will tell many things. We are fortunate at Opus, we don't need to seek out people to work here. We have a steady flow of inquiries and a network within the industry."

When hiring new people, Michael looks for talents that complement the rest of the team. "One of my beliefs is when you are evaluating people, create a circle of complementing talents. For example, if I am weak in one area but strong on another I will hire to complement that weakness attempting to build a team that complements each other."

It's a heavy responsibility to make one premium Bordeaux per year for all to judge, with no second chances. Michael says, "The owners of Opus, Baron Rothschild and Robert Mondavi, and

now Constellation Brands have allowed me to bring together a team that is dedicated and focused on one thing: making Opus One wine. This ensures a holistic connection between the field, viticulture and the wine making process. This does not reduce the responsibility, but when you are putting forward one product it is a tremendous asset to have picked your team members."

3. Teamwork enhances efficiency and company culture.

Michael then explains an interesting exercise performed at Opus One. "When it comes time at Opus to pick and make our wine, I like to build small teams of three. The teams are diversified, for example, you might have a person from the administration office, distribution like France, and a field pruner, all work together. We will give the teams the power to make the decisions for two tons of wine. They will have control over this batch of wine, it is interesting to watch the pride the team takes in making, blending and preparing the wine for our blind tasting. We include their work in our blind tasting, they actually have a chance to be part of that year's vintage of Opus One."

4. Keep learning about your business and customer.

France Posener explains that maintaining the Opus One brand involves communicating with their market. "I visit wine clubs, organizations that are interested in wine and have dinner with distributors." Intelligent and a great listener, France is what we at Riverview call an authentic communicator.



France's passion and sincerity are crystal clear. She is enthusiastic about wine, and makes the experience of wine tasting fun. At the same time, she educates her audience, explaining why each vintage of Opus One is different and how those differences can be tasted. France cares about the consumer's experience with the Opus One brand and products.

5. Find motivation in what you do.

France was one of the first women to break into what was once a male-dominated wine industry. “I had to be motivated. When I first started, there were very few women in the wine business. At my first distribution and sales job, I was the only woman on the team, calling on all men. Today at Opus, 50% of our team is women.”

Working for a company started by legendary wine leaders, France and Michael are motivated and committed to maintaining the quality of Opus One’s Bordeaux. Michael, France and Todd all agree that distributing Opus One is not easy. Demand is strong, but distribution is determined by the amount of Opus that was sold in the prior year. The brand’s integrity is based on quality product, availability and a network of motivated distributors.



It’s also important for successful people to take time to recharge through personal hobbies. Both France and Michael take well-deserved down time seriously, spending time with their families, travelling, reading and cooking.

6. Be passionate about your work.

Preserving the quality of an iconic brand such as Opus One brings both excitement and challenge. No two days are the same for Michael Silacci and France Posener, which keeps them on their toes. On achieving longevity in the business, France says, “I’m still motivated and full of energy but it is because I am passionate about the business, I love doing this.”



Whether it’s wine or any other business, best in class management methods create success in any industry. Michael Silacci’s effective leadership fosters a productive and positive company culture, engaging and motivating team members. France Posener’s passion and dedication creates a unique customer experience. Together, Michael and France ensure that the excellence of the Opus One brand established by Baron Philippe de Rothschild and Robert Mondavi lives on.

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