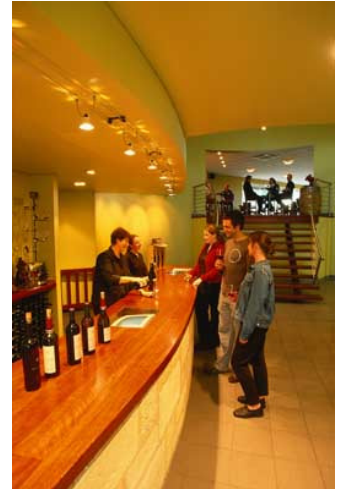


RESTAURANTS CASE STUDIES

Wineries throughout the New World (with the exception of the Napa Valley, where restrictions prevent the establishment of winery restaurants), seem to be incorporating cafes and restaurants into their wine tourism operations.

Many are spectacular examples of contemporary restaurants, perhaps more reminiscent of sophisticated eateries in major cities than wine regions. Others blend invitingly into the natural landscape, offering low key, quality experiences designed to showcase regional offerings.



The Virtues of Being Single

It's not always easy being the first to do something different, especially when your region is located several hours from the nearest capital city. For Ian Hollick of **Hollick Wines**, building a restaurant facility in Coonawarra was a calculated risk that he believes has paid off handsomely: if not in actual profits, at least in increasing market share and brand exposure.

"With the considerable increase in wine education over the past ten years, we now see that most people consume wine, and the majority at least now have an opinion on wine. This means that every traveller is a potential cellar door customer, and we need to adjust our offer to suit these people," says Ian. "Not every visitor wishes to sniff and gargle wine all day. Some have children who need to be entertained. Many are more interested in food than wine, because they find it less threatening."

It's this realisation that led Ian and wife Wendy on the journey to open a cellar door restaurant. With some grant funding assistance, 'Upstairs at Hollick' has become a major lunchtime draw card for the region.

He also recognised that simply stocking his own wine wouldn't be enough, so other Coonawarra wines are well represented, along with other beverages. Winery restaurants are great places for other winemakers to take their trade clients and friends too, so catering for them can be a win/win business strategy – especially when it comes to getting bums on seats during the week. And as Ian points out, "I can't imagine Doug Balnaves wanting to drink Hollick wine all day."

"Before we opened the restaurant, we probably saw around 50% of the total visitors to the region. Now it's more like 65% because everyone's got to eat." That's the advantage of having the only winery restaurant in the region. Coupled with the winery's other attractions (tours, cellar door only wines, the expansive vineyard views above the vines), it's definitely a crowd puller.

But Ian acknowledges that the restaurant business has its challenges. Recruiting and retaining skilled staff, both front and back of house, is a major issue in a remote region and achieving industry averages for wages as a percentage of income, is unlikely. And of course, there's that issue of dealing with chefs... "Expect to double your human resource management duties", says Ian. "Because the restaurant trade is notorious for having egos involved."

Securing access to regional produce in a region that's overflowing with it should be a breeze, but Wendy admits that it can be difficult because local producers sell to the big guys who then sell at the central markets in Adelaide. And that's a long way to go to get the local produce back again.

So what about the bottom-line? Is the restaurant actually paying its way? Not initially, according to Ian. "Our aim has always been to break even, and we almost achieved that in the first 12 months of operation. However, we may never achieve a decent return on the capital expense but the thing that is immeasurable is the positioning statement associated with it. I would venture to say that around 50% of the publicity we have received over the last twelve months has been generated around the restaurant".

Not a cash cow necessarily, but certainly an effective PR generating machine!

Getting it Right the First Time

Planning a restaurant from scratch is no simple achievement and even the best-laid plans sometimes need to be revised. Some things aren't very simple to change later, reinforcing the need for consulting the experts in the planning stages.

For example, in hindsight, Ian Hollick would have built the kitchen bigger to allow for greater numbers, and increased the size of the entertainment area.

Similarly, Gerald Ellis at Meadowbank Estate learnt from trial and error.

"The biggest mistake we made was to set up our tasting bar in the restaurant. We found cellar door visitors felt uncomfortable tasting among the diners, especially when the restaurant was busy. Restaurant patrons felt uncomfortable too." This led to the construction of an entirely new section to accommodate a separate tasting area, though it was still clearly linked to the restaurant.

Simon Gilbertson from **Southern Highland Wines** realised that installing a restaurant was a natural progression.

"In the beginning we were just a bloody great well-designed winery with a 135 people capacity barrel function room and a 100-person cellar door. But visitors couldn't even get a cup of coffee. So we put in a kitchen and some tables and chairs."

"We lease out the kitchen to a Sydney operator and buy in the food on a plate-by-plate basis. People have lunch and they have a bottle of wine. Then they get a bit brave – and end up buying a few bottles. Wine sales went up 400% after we installed the restaurant. We make money on the food and money on the wine."

"But we charge just \$20 a plate, which is cheap bearing in mind Southern Highlands is a very expensive place. Nothing gives me more satisfaction than seeing a guy pull up in a \$500,000 Bentley and, after his \$20 lunch say, "Just \$20? Are you guys for real?" It's spare cash in his back pocket. And he walks out with two cases of wine. It's so easy. Why does McDonald's have a McCafe? So people will stay that extra 15 minutes and in that time they'll buy another one or two items. The same works for us."

Just because your clientele has cash to spend, doesn't mean milking them in every department, as the Southern Highland Wines example demonstrates. By offering value in the food department (in comparison to Sydney restaurant prices) the "extra" cash is being spent exactly where the winery wants it to be – on the wine.

It's advice worth considering as you contemplate the merits of exactly how and where you want your customers to part with their cash.



It's a Question of Control

The decision to self-manage or lease out your restaurant facility is something that needs to be considered carefully. It's a case of choosing your partners wisely, because they will become custodians of your brand – and their success or failure will reflect on you whether you're responsible or not.

Romilly Madew, of **Madew Wines**, in the Canberra region, has a story that illustrates the point very well. "When we first opened the restaurant four years ago, 'grapefoodwine' was licensed to the Hyatt. This came about through both the friendship and synergy between the then general manager of Hyatt and David [David Madew, winemaker]."

The relationship got off to a flying start when the restaurant won the accolade of Best Restaurant in a Winery in Australia. However a change in management resulted in a decision by the Hyatt not renew the license.

"We then licensed it out to a second party for a year but this did not work at all. 'grapefoodwine' is a wine tourism restaurant venue, but that party wanted to treat it as a fine dining restaurant instead. There seemed to be no effort to market the venue, the prices started at \$17 for entrees, it was only open for lunch Friday to Sunday and there was no kids menu."

Control is clearly a major issue, and licensing doesn't always get you the results you expect. So the Madews have resumed management of the restaurant. "Because we're a winery and 'grapefoodwine' is a winery restaurant, we are very focussed on catering to the wine and food tourist. Which means catering to different markets."

This has meant longer opening hours, the introduction of morning and afternoon teas to cater for the retiree market and reduction in the average meal price. Children are catered for with a specific menu and drawing materials. Being situated on a major highway has opened up the opportunity to provide takeaway coffee and biscuits for those wanting to taste and resume their travels.

Dedicated foodies are well catered for too and a wine-matched degustation menu reflects the strong emphasis on wine. Differentiation while catering to consumers' expectations has been achieved through the provision of the humble platter concept.

"The Mes Amis Barrel Platter is an idea developed by David, working with our cooper. Once David decides which barrels are no longer required, he takes the heads off them, sands them back and creates a platter on which friends can share some food."

But the emphasis remains firmly on wine. "When we take a meal order, we always ask guests if they'd like to taste wines while their food is being prepared. 99% say yes – and while they're busy tasting wines, it comes as a pleasant surprise to learn their meal is ready. We have also included wines from five other Canberra wineries on our wine list. We consider ourselves leaders in the region – being confident enough in our own wines to offer the wines of other local producers."

David and Romilly know enough about the restaurant game to acknowledge that what they're doing is a huge undertaking, and they have their detractors.

"Plenty of people have said we're mad," says Romilly, "But in our first year, we're hoping to break even and cover our costs. And we're confident. We've been proactive in attracting the weddings and events market, and in the next six months we have 4-8 bookings every month. And we can cater to 150 seated and 300 for cocktails, plus we have a cellar that can cater for 80 seated."

And what about location? "I think our location helps us considerably. You have to remember we're in the middle of nowhere – literally, 50km north of Canberra and 40km south of Goulburn. We have a beautiful building overlooking Lake George, but we're also close to a highway that has 10,000 cars going past in a day. So as a location, it's perfect."

"A lot of people are finding Cellar Door tough, and we're no different. But we're moving wine through our restaurant and functions. And if that's how we're going to survive then so be it."

Yes, it really is all about the wine.

Take to the Hills

In 2003 two savvy South Africans, Mark Dobson and Larry Jacobs took to the Adelaide Hills and opened the Hahndorf Hill Winery.



The region is famous for its crisp Sauvignon Blancs and Mark and Larry consider they make one of distinction. A wooded Chardonnay and a Shiraz also appear in their product line, but they are famous from being the only Australian growers of Trollinger and Lemberger grapes typically grown in Southern Germany. From these unusual varieties they make the dry, grassy Rosés associated with Southern France and the Pyrenees. It's certainly a point of difference – something that's so essential in today's overcrowded wine market.

The farmhouse-style building has plenty of room in the tasting area – more room than necessary – and the pair quickly explored food and hospitality options as an integral part of their business. Hahndorf is a German pioneer settlement so visitors have no trouble getting their hands on a great stein of pilsner, seven kinds of sausage and, of course, sauerkraut. There are plenty of foccacia and pasta places around as well and nearby Adelaide has many real Italian restaurants, so you've got to be really good to compete.

Mark and Larry looked around them for inspiration and were guided by an old and proven principle: whether you're a restaurateur or a fiction writer, the best advice is to work with what you've got and be who you are. They did, and their very successful micro-café is the result.

Their micro-café started out with one menu item: a platter. Now, with at least eight menu items all made from local seasonal ingredients, they can expect 80% of their cellar door customers to stay and have a bite to eat and 20% of their restaurant trade to taste and purchase wine. Not satisfied with the numbers, they are working on ways to even out this ratio to maximise wine profits and continue building the wine brand.

The Adelaide Hills area is truly abundant with olives, figs, fruit and vegetables of all kinds, dairies and cheese-makers. Fresh foods are one thing – but seasonal foods guarantee the best possible flavours and a ready market. This approach to menu selection gives them a real point of difference from others in the area, ensuring they are distinctive in both food and wine.