

EGO OR EQUITY?

*"To make a small fortune in the wine business you need to start with a large fortune."
Here are some wealthy businessmen who take their vineyard ventures very seriously*

BY JOANNE GIBSON

"The easiest way to become a millionaire in the wine business is to start out as a multi-millionaire," chortles retail tycoon Christo Wiese, who owns Lanzerac and Lourensford. "It's hugely capital intensive, and not wonderful in terms of return on investment, except perhaps over the long term. I often tell the story of having lunch with Baroness Philippine de Rothschild [owner of Château Mouton Rothschild] and saying, 'I'm a shopkeeper. What am I doing making wine? It's a terrible business!' To which she replied, 'Oh, no, it's a great business. It's only the first 200 years that are difficult!'"

So it's hardly surprising there are some 100 Cape wine farms on the market at the moment, their prices ranging from R6 million to R60 million. Beyond the means of most trained winemakers who dream of making wine for themselves one day, the properties are far more likely to be purchased by wealthy entrepreneurs or executives, perhaps as a retreat or a place to retire. For some, wine farming may merely be a hobby or a status thing like driving a sports car. But there are also several determined to make money out of

their vineyard ventures and good wines, too.



**CHRISTO WIESE
OF LANZERAC/
LOURENSFORD**

Dr Wiese is executive chairman of Pepkor Ltd, chairman of Shoprite Holdings,

Tradehold Ltd, Invicta Holdings Ltd and Tulca (Pty) Ltd, a non-executive director of KWV Holdings Ltd and the PSG Group, and a director of Monex Group, Metropolitan Life, Lenco Holdings Limited and Sasol.

Why did you buy the wine farm?

I initially purchased Lanzerac as a potential home for my family, although we decided not to live there. And Lourensford is just such an iconic property—of great historic significance and also extremely large—that when I found out it was on the market, I felt that if at all possible it should remain in South African hands.

What business skills have proved most useful as a wine farmer?

General business skills. In my opinion,

wine farming is much closer to business than farming. It's all about brand-building, marketing, sales.

What do you like most about wine farming?

Wine farming lends a particular lustre to a region. No other wine area in the world can hold a candle to the Cape's beauty. I also like the fact that it makes a contribution to wider society in terms of job creation, skills empowerment, attracting foreign investment, and enhancing the tourism potential of the area.

Any advice for others?

If your primary consideration is a return on investment, then think again. If you're still keen, just make sure you have sufficient funds to get you through the first 200 years.



**JEREMY ORD OF
WATERFORD**

Jeremy Ord is co-founder of international technology company Dimension Data. He stepped down

as CEO in 2004 but is still actively

involved in the business as chairman.

Why did you buy the wine farm?

It was my wife's fault. Leigh wanted to ensure that once I died she would have a home in the Cape. I knew very little about wine farming, except that it seemed like a very enjoyable pastime.

What do you like most about wine farming?

It's a really lovely farm that my children will also be able to enjoy when they take over. And it's wonderful to have created a special place for people to go to, producing good wines for people to drink. But at the end of the day, I'm lucky enough to be able to afford it. The wine business isn't much fun for those living hand-to-mouth.

Any advice for others?

If you run your wine business as just another company, you'll be fine. There is a tendency to over-capitalise, and if that is the case you'll never recover. Stick to budgets and put proper reporting structures in place.



WENDY APPELBAUM OF DEMORGENZON
The daughter of Liberty Life founder Donald Gordon, Wendy was a director of Liberty Investors Ltd, and deputy chairman of the Women's Investment Portfolio Ltd and the Connection Group Ltd. She remains (among other things) a director of

black empowerment company Sphere Holdings Ltd and the Wits Donald Gordon Medical Centre (Pty) Ltd.

Why did you buy the wine farm?

We always wanted to farm, and we love wine, so we decided to combine these two passions. But it took forever to find the right place. Every time I liked one, my husband, Hylton, said no. But eventually we found these amazing mountain vineyards. We've subsequently discovered some wonderful things about the terroir, but we bought the property purely for emotional reasons—it is breathtakingly beautiful.

What business skills have proved most useful as a wine farmer?

I studied psychology, then went into marketing, and have since had a broad business career across several investment companies. So it's been great fun cobbling skills from these various areas. I'm now also hoping to do a winemaker's course—not because I want to do punchdowns in the middle of the night (I'm a bit of a gentlewoman farmer!), but so I know what's involved and can give some input.

What do you like most about wine farming?

I've fallen completely and totally in love. Hylton wanted to be the farmer, and I never thought I'd even live in the Cape. Now Hylton has the day-job and I'm the farmer. The only thing I don't like much is selling. I'm not a great salesperson. There's also an unpredictable aspect to farming, from the weather to burst

dams to upside-down tractors. Lots of crisis management.

Any advice for others?

Everyone told us wine farming was a black hole—they just didn't say how deep the hole really was. It takes a lot of hard work. You also have to do things a bit differently to build a brand—so one mad thing we've done is incorporate Hylton's passion for music (as founder and chairman of Classic FM) by playing baroque music to our vines. It really does work.



DANA BUYS OF VREDE EN LUST
SA's first distributor of Microsoft products, Dana sold his IT company, Workgroup Systems, to Datatec in 1996—enabling him to purchase the Simonsberg farm Vrede en Lust. He also co-founded and chaired software company FrontRange, which he sold in 2005.

Why did you buy the wine farm?

I fell in love with the beautiful old *werf* and historic buildings. I liked its position, in between Paarl, Franschhoek and Stellenbosch, and the easy commute to the airport and Cape Town. The Simonsberg is home to a number of the Cape's top wine estates, so that was also a factor.

What business skills have proved most useful as a wine farmer?

The capacity to develop a strategic plan

based on the resources available, the constraints and the competition. My technology background and experience in the customer relationship management market has been useful in executing our digital and direct marketing strategies.

What do you like most about wine farming?

I like the people, the products, the beautiful winelands, and the long-term nature of the industry as opposed to how fast technology changes. It is great to develop a vision and see how it unfolds over time.

Any advice for others?

Try to figure out how to differentiate yourself and your products. Ensure you

have the financial means, and get the knowledge required. And understand that you are more likely to succeed if you and your family are personally involved and committed to standing behind (and pouring) your wines. **GT**

SUCCESS BREEDS SUCCESS

At the recent (and rigorous) **OLD MUTUAL TROPHY WINE SHOW**, several businessmen proved their wine farms are anything but a folly. **TOKARA**, owned by banking magnate **GT Ferreira**, was named Most Successful Producer, followed by **RIJK'S PRIVATE CELLAR**, owned by former leather goods manufacturer **Neville Dorrington**. Not a bad performance by **CAPE POINT VINEYARDS** either, with investment

banker turned kaolin miner **Sybrand van der Spuy's** team winning three trophies and a gold medal for their ageworthy whites. Meanwhile, the Best Red Wine Overall was the 2008 Shiraz from **EAGLES' NEST**, owned by **Jonathan Mylrea**, who made his fortune in tank containers.

The Best Sparkling Wine was the **ANURA BRUT 2008**, made by former optometrist **Tymen Bouma**, while internationally acclaimed graphic artist **Jose Condé** made the trophy-winning **STARK-CONDÉ Stellenbosch Cabernet Sauvignon 2007**. As for the businessmen featured in this article? The trophy for Best Malbec went to the **VREDE EN LUST Mochalate 2009**, while **LANZERAC** took home a rare-as-hen's-teeth medal for its Pioneer Pinotage 2007.

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