

2007 Salary Survey Report: Salaries Up 3.8 Percent

Biggest increases seen in consumer direct and marketing.

Mary-Colleen Tinney

AS THE WINE INDUSTRY CONTINUES to grow, wine industry salaries are also on the rise. Results of the 2007 *Wine Business Monthly* Wine Industry Compensation Survey Report reveal that 64.8 percent of wine industry jobs showed an increase in annual base pay versus 2006. The average wine industry raise was 3.8 percent, slightly higher than the national average increase, across all industries, of about 3.5 percent. The survey was conducted by **Western Management Group** (WMG), a Los Gatos, California-based research firm that has been conducting the survey since 1991.

While the compensation increases have certainly been solid, there is a bit of an overall slowdown from recent WMG surveys. The pace is slightly lower in 2007 than 2006, which found that 64.2 percent of the jobs showed an increase in annual base pay, and the average raise was 5.4 percent. There has been a bigger slowdown since the 2005 survey, which found that 77 percent of the jobs showed an increase in annual base pay, and the average raise was 5.8 percent. Regardless, salaries continue to rise across the board for all major salary categories.

"Salaries are increasing but just a little more than last year," said **Carolyn Silvestri**, founder of **The Personnel Perspective** in Santa Rosa, California. "There have been years where we have seen overall significant growth, but this year we see a very moderate salary

growth rate. There are some key positions that [wineries] are focusing on, like consumer direct, so some people are seeing opportunities in those areas."

Other recruiters, however, are seeing more robust growth in recent months. "What's happened in the last couple of years because of acquisitions and because we get smaller as an industry, clients are raising the bar in the type of people they are looking for," said **Fred Hood**, owner of **Fred Hood & Associates** in Calabasas, California. "In order to get those people it's costing more. So, I am seeing a 15 to 20 percent increase in salaries in over the last 16 months."

CONSUMER DIRECT POSITIONS CHANGING WINE INDUSTRY RECRUITMENT

There are several notable trends that have emerged over the last year. While winemaking positions have typically been among the most dynamic in the industry, that is less true this year than in years past. Meanwhile, marketing and sales positions, especially consumer direct sales, are continually increasing in importance and salary. This reliance on direct sales requires employees that have a skill set that has not, thus far, been cultivated within the wine industry.

As a result, one of the most striking trends is that the wine industry is increasingly looking to other consumer goods industries to find top quality

talent. "The wine industry has always been a somewhat incestuous industry, and it still is to this day. However, the landscape is changing because some of the wineries are looking outside of the wine industry to the general consumer goods industry for qualified candidates," said **Deborah Ranish**, owner of **Recruiting Resources** in Santa Rosa, California. "There is great value in seeing how similar industries are dealing with and confronting similar issues. New talent from outside the wine industry can offer fresh thinking and new ways to examine business needs. Sometimes only recruiting from within the same industry can be myopic."

Dawn Wofford, owner of **Benchmark Consulting** in Sonoma, California, said that wineries have to be proactive in taking advantage of the opportunities in the consumer direct market right now—opportunities that might not exist later. "It's a slow-growing piece, but what I'm pitching right now is that if these wineries don't find these people and get going within the next five years, they are going to miss their window of opportunity because the laws will change," she said.

"The impression is still there that it is a buyer's market [for employers]," said Wofford. "The reality is that the people

the wineries want aren't looking. It's not that these people don't exist, it's just that wineries all want the same [qualities] and there are only a small group of people that actually embody those characteristics."

While hiring from outside the industry has not been verboten in the past, it was not at all common. As an increasingly competitive and consolidated wine industry evolves, wine companies are demanding more from their employees. As the companies demand more, they are also willing to pay more for expertise they believe is vital to their success.

"Companies are looking outside the industry in part because it provides a different perspective, new ideas and a fresh approach. If you can successfully integrate people from outside the industry with people who really understand the wine business, it makes for a pretty powerful organization," said **Fred Philpott** of **The Stevensville Group** in Healdsburg, California. "I think the wine business is becoming increasingly complex, from the time the grapes are planted, through production, sale and everything in between."



Hank Teahen of **The Teahen Group** in Temecula, California, applauds the new, consumer-focused direction. “The wine industry is becoming much more of a consumer products company, and that’s good,” said Teahen. “The days of selling all the wine you can produce are over with. You have to compete with companies that are investing a lot of money on development. They are looking at the wine skills, but also leadership skills, culture development as well as technological skills.

“It’s broadened our base as a recruiter,” he continued. “Now I can tap into other companies that may not have wine experience but have other skills the company is looking for in culture development. Wineries are looking for people from **Proctor & Gamble** and **Clorox**, because they have a much better global perspective on consumer trends. Before this, you were moving one marketing guy from one winery to another winery, which doesn’t bring anything new to the industry.”

“We are in a global economy now and the way you went to market 10 years ago has changed,” said Philpott. “There are so many brands, both domestic and foreign, in the market, which is great, since the consumer has more choice. But, it also creates challenges for the wineries in showcasing and differentiating their wines. And these challenges create a need for different skill sets. It’s a more complex business model than to simply put a plant in the ground, get a great winemaker and go to market. The wineries have to really think about how they are going to sell that product through. They have to develop a compelling consumer and distribution marketing strategy.”

Not everyone necessarily believes that this infusion of talent from other consumer goods industries is entirely a good thing. “We are seeing wines offered in a different way. It is just unfolding, it hasn’t revealed itself completely. It’s not clear yet how that’s going to shake out, but what we know is that we are now bringing people in from outside the industry in numbers that we have never seen before. I think it’s a risk,” said **Donna Parker**, of **WinePro Recruiters** in Santa Rosa, California.

“We are taking people who don’t understand the history and passion of

the wine business and plunking them right down in the middle of it,” she continued. “We don’t have a training [process] in the wine industry. We train tasting room people and sales people, but we don’t have anybody training in how to brand. It will definitely resolve itself in time. The larger wineries will train people and those people will leave for the smaller wineries. In the meantime, the smaller wineries will have to work like hell on their websites and sales materials to keep the attention in the marketplace.”

Hood, however, feels that wine knowledge can be learned. “What’s happening, and it’s about time it did, is that you can learn about wine. It’s like learning a language; it’s not rocket science. If you look at the consumer package for the wine industry, they are light years ahead in other consumer segments. They are not as restricted outside the industry,” he said. “I think they are successful in the wine industry because they come in and they don’t know that they can’t do certain things. They aren’t jaded. Perhaps maybe they’ve had to be more creative [to attract attention in other segments].”

MAJOR SALARY CATEGORIES

Of the five top-level positions analyzed (winemaker, vice president of sales, vineyard manager, tasting room manager and office manager), the largest growth rates over the last six years were seen in the **vice president of sales** positions. This is a change from 2006, when winemaking was the most dynamic category.

Since 2002, the average salary for the vice president of sales position has grown 24 percent to reach \$166,764. Between 2006 and 2007, salaries in this function have grown 7.2 percent (see **CHART 1**). Sales professionals have routinely commanded among the highest salary ranges in the wine industry, so it is unsurprising that the vice president of sales is also the highest paid of the five top-level positions.

“I think [sales salaries are high] in large part because the three-tier system is still the predominant method of distribution in this country,” said Philpott. “[People in sales leadership positions] often have to manage multiple distributors across different states and are held accountable for profitable top line sales and growth. They develop the sales business plan, manage and hold distributors accountable and are expected to execute their respective plans.

“For the most part, the days of ‘rack ‘em and stack ‘em and let the cases fly’ are gone,” continued Philpott. “It really requires that in addition to strong selling and relationship skills, that sales leaders have a very strong business acumen. So in my mind it’s the need for this complex skill set that justifies the higher salary.”

Vineyard managers’ salaries have grown 22.9 percent over the last six years and 3.7 percent since 2006 to reach \$83,462 (see **CHART 2**). These are the highest salaries for a vineyard manager that *Wine Business Monthly* has seen. However, these pay increases for vineyard managers are not reflective of the overall health of the vineyard operations category, which has risen about 1

percent in the last year. Vineyard operations includes low-paying, sometimes seasonal, jobs such as cellar workers, who see only minimal pay raises.

Parker worries that vineyard and cellar worker salaries will be affected by enforcement of immigration laws. “If they go the direction where they are going, the immigration officials are going to start showing up and demanding proof of all the Social Security numbers and legal status of the workers,” she said. “We are going to lose cellar workers and vineyard workers. Then we will have a worker shortage and an increase in salaries because we are going to have to attract people very quickly into cellar and vineyard work who ordinarily wouldn’t have been interested in those positions.”

Key operation and production jobs have been remarkably stable this year. “People seem set where they are,” said Silvestri. “We haven’t seen a lot of movement there recently. There will be a call to add more people, but people seem satisfied where they are working.”

Still, **winemakers’** salaries continue to be among the highest in the industry. Average salaries for winemakers have continued their upward trend to reach \$94,447, up 20.3 percent from 2002 and 1.2 percent over 2006 (see **CHART 3**).

“The biggest slowdown that we noticed is winemakers and production staff,” said Teahen. “Winemakers aren’t changing, which is very unusual, particularly at this time of year as harvest is coming to an end and they are looking for changes. You just don’t see movement. The obvious reason, I can’t think of anything exotic, is the industry

CHART 1
The average salary for the vice president of sales position has grown 24 percent.

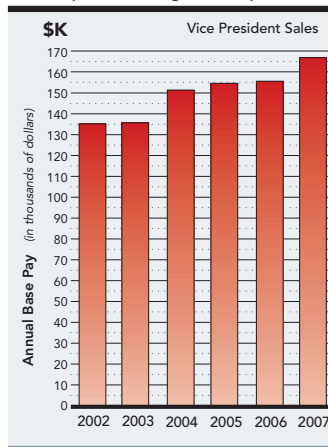


CHART 2
Vineyard managers’ salaries have grown 23 percent since 2002.

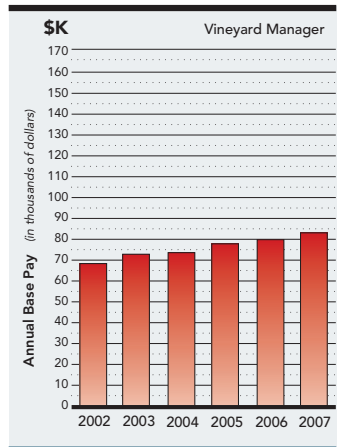


CHART 3
Average salaries for winemakers are up 20 percent from 2002.

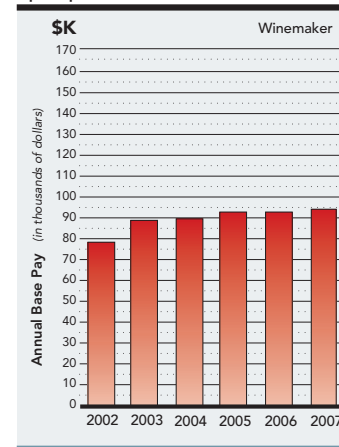




CHART 4

Salaries for tasting room managers have jumped 5.4 percent over the last year.

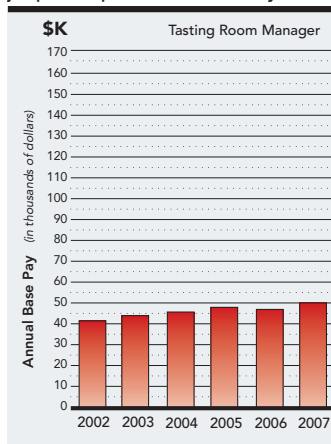
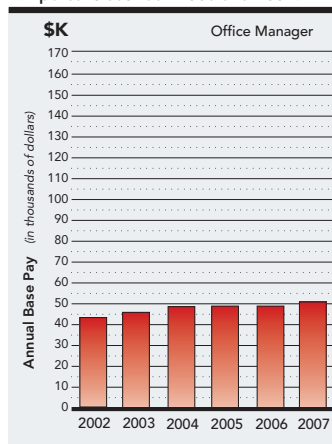


CHART 5

Salaries of office managers have grown 2.7 percent between 2006 and 2007.



is happy with the people they've got. They are either happy with the winemakers or they are compensating them enough that they can't afford to leave.

Reflecting the industry's renewed focus on consumer direct sales, salaries for **tasting room managers** have increased quite dramatically from 2006. In the last year, salaries for tasting room managers have jumped 5.4 percent to \$49,519. Over the last six years, salaries have grown by 19.6 percent (see CHART 4). This is a complete turnaround from last year's survey, which recorded a rather inexplicable, albeit slight, drop in compensation for this position.

room managers and employees. "I think [tasting room salaries are] a tragedy," he said. "Tasting room staff is the first line of defense in the consumer experience. That environment makes or breaks that consumer experience. Wineries need to get off the mindset of paying \$9 to \$10 an hour base plus a commission. I don't really understand why they haven't already, especially in wineries emphasizing consumer direct initiatives.

"In turn, tasting room managers and staff have got to be better business people," continued Blevins. "They need to be someone who understands

"I think tasting room salaries are a tragedy."

Dave Blevins, Blevins & Associates

"More and more, wineries are beginning to recognize the value of their tasting rooms as revenue centers, a trend we've been seeing for several years," said Ranish. "So for wineries where the bulk or all of their sales are from the tasting room, the priority is to ensure that the best people are hired to work with the winery customers. It is an art to sell wine directly, so more wineries are recognizing that with greater pay and commissions and incentives."

Blevins feels that wineries need to do more—much more—for their tasting

luxury retailing, understands that the staff needs to be trained on really giving the customers a unique, luxury experience. We've got to get a concierge mentality into the tasting room environment. Just recycling the same managers isn't working. We've got to do a better job."

Office supervisors and office managers are also increasing their compensation levels. Salaries of office managers have grown 2.7 percent between 2006 and 2007 for an average of \$50,459. Since 2002, the category has grown 16.7 percent (see CHART 5).

OTHER SALARY CATEGORIES

This survey broke down salaries by winery size. Small wineries were defined as those producing fewer than 50,000 cases, mid-size wineries as those producing between 50,000 and 99,999 cases, large wineries as those producing between 100,000 and 499,999 cases, and extra large wineries as those producing 500,000 or more cases. (Data has been shown only for categories that had complete and valid data. All salary figures given in this article represent base pay only with no bonuses or other benefits included.)

The administrative category includes high-level administrative staff such as CEOs, presidents, general managers, controllers and human resource directors. The sales category includes vice presidents of sales, national account managers, and sales representatives. The vineyard category includes only vineyard managers. The diverse marketing category encompasses many

levels of staff, including vice presidents of marketing, public relations directors, wine club managers, tasting room managers, tasting room staff, and special events coordinators. The wine-making category includes those involved in all aspects of winemaking: winemakers, assistant winemakers, winemaking directors, enologists, lab managers, lab technicians, cellar masters and cellar workers.

Administrative

The highest salaries in the wine business belong to the **CEOs and presidents**. CEO salaries are even from 2006 overall, though movement in this category is obscured due to insufficient data in the extra-large winery category. The reason for this may be the structure of the polled wineries; large wineries might have a CEO, a general manager and/or a president, but may not have a function that is defined as "CEO."

ADMINISTRATIVE

CHIEF EXECUTIVE OFFICER

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$315,541 | \$269,427 |
| 50,000 to 99,999 | \$223,001 | \$223,001 |
| 100,000 to 499,999 | \$315,762 | \$315,762 |
| Over 500,000 | — | — |

PRESIDENT

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$171,097 | \$171,097 |
| 50,000 to 99,999 | \$150,780 | \$150,780 |
| 100,000 to 499,999 | \$207,535 | \$207,535 |
| Over 500,000 | \$291,264 | \$291,580 |

GENERAL MANAGER

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$139,986 | \$148,959 |
| 50,000 to 99,999 | \$135,527 | \$135,527 |
| 100,000 to 499,999 | \$127,190 | \$127,190 |
| Over 500,000 | \$153,807 | \$153,807 |

CONTROLLER

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$98,744 | \$98,205 |
| 50,000 to 99,999 | \$100,422 | \$100,422 |
| 100,000 to 499,999 | \$99,666 | \$98,377 |
| Over 500,000 | \$104,819 | \$104,819 |

HUMAN RESOURCES DIRECTOR

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | — | — |
| 50,000 to 99,999 | \$85,063 | \$85,063 |
| 100,000 to 499,999 | — | — |
| Over 500,000 | \$109,948 | \$109,939 |



“Certainly where [wineries] should focus and where I think they are focusing, is on the branding size of the business. They mostly have the wine-makers and production and vineyard people in place. Now it’s going back and reinventing why they want to do business and how they should go about gaining share of mind with consumers, wholesalers and retailers,” said Blevins, explaining the need for more business savvy people at the heads of wine companies.

“I think in the next five years, a lot of new brands will be introduced and there will be a lot of consolidation, a lot of brands that will dry up and go away. Brands have to square off and have a clear agenda of who and what they are and why the trade and consumers should participate. That requires more sophisticated business managers coming into the business, to ensure the health and well being of this industry.”

CEOs at large wineries averaged \$315,762 (down from \$344,119 in 2006 and up from \$300,752 in 2005). CEOs at medium-sized wineries had an average salary of \$223,001 (down from \$247,939 in 2006, but up from \$176,400 in 2005). CEOs at small wineries averaged \$315,541 (up from \$191,826 last year and \$172,340 two years ago).

Presidents at small wineries averaged \$171,097 (up from \$133,167 in 2006 and \$153,767 in 2005). Presidents at medium-sized wineries averaged \$150,780 (up from \$145,524 in 2006; no data in 2005). At large wineries, presidents’ salaries averaged \$207,535 in the first year sufficient data was provided. Extra-large winery presidents average a salary of \$291,264 (up from \$243,231 last year and \$280,192 two years ago).

General managers at small wineries averaged \$139,986 (up from \$131,769 in 2006 and \$113,949 in 2005). GMs earned \$135,527 at medium wineries (up from \$142,827 in 2006), while large winery general managers earned \$127,190 (down from \$139,739 in 2006). The average salary for GMs at extra large wineries was \$153,807 (up from \$135,851 last year and \$140,650 in 2005).

Hood indicated that category managers are also in high demand. “Companies are getting more focused, they realize they need to target specific markets instead of general markets,” he

said. Specifically, he is seeing interest in hiring managers with experience targeting the Hispanic, Black, Asian and gay niche markets that have occasionally been underserved by the wine community.

Only medium-sized and extra-large wineries provided data for **human resources directors**. Typically, smaller wineries do not have human resources (HR) directors; other staff, such as controllers or office managers, perform human resources functions. HR directors at medium-sized wineries averaged \$85,063 in the first year data was provided. The same position at extra-large wineries averages a salary of \$109,948, up from \$106,031 in 2006 and \$101,976 in 2005.

Controller positions also averaged fairly high salaries in 2007. At small wineries, the position earned an average of \$98,744, while controllers at mid-sized wineries average \$100,422. Large winery controllers earned an average of \$99,666, while extra-large wineries paid controllers \$104,819 on average.

“I think the most undervalued positions are the CFOs and controllers,” said Blevins. “These are the people who should be charged with controlling and cutting costs and creating efficiencies in the winery. They don’t get the compensation and recognition they deserve for negotiating new deals on materials and the cost savings realized from those deals.”

Sales

At the most senior levels, sales positions are highly compensated. In fact, **vice presidents of sales** are earning some of the highest salaries in the industry. Salaries for vice presidents of sales increased proportionately with the size of their wineries: mid-sized wineries’ averaged \$137,064 (up from \$130,752 in 2006 and \$121,342 in 2005), large wineries averaged \$167,238 (up from \$141,289 last year and \$139,003 two years ago), and extra large wineries averaged \$186,287 (up from \$171,433 in 2006 and \$166,197 in 2005).

Salaries for sales positions are also on the rise further down the executive chain. **National account managers** at extra-large wineries averaged \$102,742 (up from \$94,643 last year and \$77,735 in 2005). No data was provided for other categories.

SALES

VICE PRESIDENT SALES

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | — | — |
| 50,000 to 99,999 | \$137,064 | \$137,964 |
| 100,000 to 499,999 | \$167,238 | \$174,695 |
| Over 500,000 | \$186,287 | \$192,859 |

NATIONAL ACCOUNT MANAGER

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | — | — |
| 50,000 to 99,999 | — | — |
| 100,000 to 499,999 | — | — |
| Over 500,000 | \$102,742 | \$102,742 |

SALES REPRESENTATIVE

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$43,055 | \$44,871 |
| 50,000 to 99,999 | \$74,982 | \$69,252 |
| 100,000 to 499,999 | \$65,607 | \$64,607 |
| Over 500,000 | \$68,189 | \$63,287 |

Sales representatives at small wineries averaged \$43,055 (down from \$52,830 last year), mid-size wineries averaged \$74,982 (up from \$69,805 in 2006 and \$65,654 in 2005), and large winery sales representatives had an average salary of \$65,607 (up from \$59,676 in 2006 and \$43,600 in 2005). Sales representatives for extra large wineries averaged \$68,189 (up from \$62,829 last year and \$52,509 two years ago).

Marketing

Marketing personnel at wineries are also benefiting from greater industry focus on increasing sales. Salaries of vice presidents of marketing rose proportionately with the size of their wineries. Vice presidents of marketing mid-sized wineries averaged salaries of \$122,500 in the first year data was provided. At large wineries, the position averaged \$151,001 (up from about \$149,875 in both 2005 and 2006). At extra large wineries, the average salary is \$191,172 (up from \$174,802 a year ago and \$156,703 two years ago). No data was given for vice presidents of marketing at small wineries.

“I would say that marketing professionals have become the most in-demand,” said Philpott. “The reason I say that is with the proliferation of brands, the number of new wineries, it becomes a question of how do I differentiate my product, how do I tell my story. Wineries are looking for a pas-

sion for wine coupled with the ability to bring consumer focused marketing skills into the industry.”

“Marketing creates the brands, sales executes it,” said Teahen. “The marketing people are now becoming much more in demand, so that’s where we see the most activity. And we’re seeing bigger salaries—\$200,000 for the top positions, when even two years ago it was \$140,000 to \$150,000. We probably have a dozen marketing roles and they are up at least 20 percent from five years ago, plus signing bonuses.”

Wine club managers’ salaries are in flux as the consumer direct category evolves and the industry determines how exactly to organize direct sales responsibilities. At small wineries, the average salary was \$49,649, up from \$44,880 a year ago and \$40,999 in 2005). At medium-sized wineries, wine club managers averaged \$55,804, up very slightly from \$54,648 in 2006 and significantly from the \$45,800 averaged in 2005. At large wineries, wine club managers average \$48,242 (up from \$46,667 last year and \$45,122 in 2005), and at the extra-large wineries, salaries averaged \$52,796 (increasing from the \$48,665 in 2006 and \$51,346 in 2005).

“Wineries need to make a decision that consumer direct is as important as wholesale marketing,” said Blevins. “It will take someone going out and recruiting top-level managers who are really committed to building that luxury element. It’s a paradigm shift. It



MARKETING

VICE PRESIDENT MARKETING

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | — | — |
| 50,000 to 99,999 | \$122,500 | \$122,500 |
| 100,000 to 499,999 | \$151,001 | \$151,001 |
| Over 500,000 | \$191,172 | \$191,172 |

PUBLIC RELATIONS DIRECTOR

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | — | — |
| 50,000 to 99,999 | — | — |
| 100,000 to 499,999 | — | — |
| Over 500,000 | \$101,571 | \$101,571 |

WINE CLUB MANAGER

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$49,649 | \$49,649 |
| 50,000 to 99,999 | \$55,804 | \$55,804 |
| 100,000 to 499,999 | \$48,242 | \$48,242 |
| Over 500,000 | \$52,796 | \$51,079 |

TASTING ROOM MANAGER

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$49,640 | \$49,335 |
| 50,000 to 99,999 | \$51,400 | \$50,965 |
| 100,000 to 499,999 | \$46,880 | \$47,108 |
| Over 500,000 | \$50,157 | \$50,350 |

TASTING ROOM STAFF

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$24,726 | \$27,417 |
| 50,000 to 99,999 | \$30,213 | \$29,354 |
| 100,000 to 499,999 | \$28,332 | \$28,250 |
| Over 500,000 | \$27,763 | \$28,061 |

SPECIAL EVENTS COORDINATOR

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$42,016 | \$42,016 |
| 50,000 to 99,999 | \$41,248 | \$42,190 |
| 100,000 to 499,999 | \$41,464 | \$43,327 |
| Over 500,000 | \$40,354 | \$39,906 |

will take at least 38 months to see a return on that investment. Wine clubs are equally important. There should be a director of consumer direct sales, who has responsibility for both the tasting room and wine clubs.”

“Consumer direct is new enough so that some of those programs haven’t reached their full level of potential,” said Silvestri. “As they grow and the different [sales programs] and opportunities are incorporated, we’ll see that the compensation will be right up there with the sales staff. They will have the potential to be bringing in just as much, at a greater rate of profitability. I don’t think [the disparity] will last too much longer as people see how much profit is generated [in consumer direct].”

Salaries for **tasting room managers** hover around the \$50,000 range almost exclusive of winery size. Tasting room manager salaries for small wineries averaged \$49,640, increasing from \$42,592 a year ago. Tasting room managers at medium-sized wineries averaged \$51,400, up from \$47,454 last year and \$48,135 two years ago. Managers of tasting rooms at large wineries averaged \$46,880, almost identical to the \$46,741 averaged in 2006 and up from the \$45,667 two years ago. Extra-large winery tasting room managers average salaries of \$50,157, virtually identical to the \$50,244 average salary in 2006 and down from the \$51,270 in 2005.

“I don’t think that wineries recognize the value of a strong tasting room manager,” said Hood. “They see it as more

VINEYARD

VINEYARD MANAGER

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$86,814 | \$82,782 |
| 50,000 to 99,999 | \$82,536 | \$81,026 |
| 100,000 to 499,999 | \$81,978 | \$85,009 |
| Over 500,000 | \$83,584 | \$81,869 |

of a traditional role similar to a gift shop. In reality, these people have a great impact on the bottom line of these wineries. Before you were looking at traditional retail specialty shops, now you’re almost looking at buyers instead of retail managers [for these positions]. They understand the global picture of the retail business.”

“I think tasting room salary depends on the winery and how they are structured,” said Silvestri. “Some roles limit what the tasting room manager is responsible for. These roles have very specific duties and areas of expertise. If a winery puts more emphasis on consumer direct at the winery, they might now have a hospitality or a consumer direct management position that’s been elevated to a higher role. If the position is very specific and the person only has responsibility for the tasting room manager role, often times they are limited in salary potential, especially if the budget is being directed to other roles more specifically tied to the consumer direct growth of the winery.”

Salaries for **tasting room staff** remain universally low, though this survey does not take commissions and other incentives into consideration. Base salaries at small wineries average \$24,726, while tasting room staff at mid-size wineries average \$30,213, the highest in the industry for the second year in a row (averaging \$30,126 in 2006). Large winery tasting room staff earned an average of \$28,332, while extra-large wineries’ tasting room staff earned \$27,763 in average base salary.

“Typically the tasting room salaries have a lower base because they have so many layers of bonuses built in,” said Wofford. “So, it looks really dismal, but in reality to drive the largest proportion of your sales through the tasting room, to get [the staff] to sell they’ve got to earn that commission. That’s why your

salary bases are low. It’s a classic, smart sales strategy.”

True to the sales focus, tasting room staff are being asked to do more than in the past. “I see a lot of wineries doing a lot more cross-training in their positions,” said Ranish. “I think in the tasting room, the role has changed to be not just a presence or a greeter, but to be a seller, a skilled salesperson. That is one of the most identifiable trends within the last several years.”

In 2007, **special events coordinators** averaged \$42,016 at small wineries, \$41,248 at mid-sized facilities, \$41,464 at large wineries and \$40,354 at extra-large wineries.

Vineyard Managers

Vineyard managers positions are difficult to decipher. Although salaries in the category have grown quite a bit over the last six years, average salaries have dropped in several winery size categories. Further, salaries in the position are still low relative to some other key management positions within the winery.

Small winery vineyard managers average \$86,814 in 2007, down from \$83,676 in 2006. Medium-sized winery salaries for vineyard managers average \$82,536, also a drop from 2006, when they averaged \$84,013. Vineyard managers at large wineries earn an average of \$81,978, up dramatically from \$72,675 in 2006. At extra-large wineries, vineyard managers earn \$83,584 on average, up from \$80,218. All these figures are a marked improvement to 2005, however, when all average vineyard manager salaries were in the mid-\$70,000s.

Winemaker Salaries

“The winemaker family is showing an increase in salary, but I haven’t heard any duties,” said **Donna Bowman** of



WINEMAKING

WINEMAKING DIRECTOR

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | — | — |
| 50,000 to 99,999 | \$124,736 | \$124,736 |
| 100,000 to 499,999 | \$123,486 | \$126,551 |
| Over 500,000 | \$135,683 | \$131,474 |

WINEMAKER

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$96,211 | \$94,773 |
| 50,000 to 99,999 | \$114,437 | \$114,385 |
| 100,000 to 499,999 | \$105,593 | \$106,130 |
| Over 500,000 | \$86,966 | \$90,330 |

ASSISTANT WINEMAKER

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$60,863 | \$61,825 |
| 50,000 to 99,999 | \$64,485 | \$64,341 |
| 100,000 to 499,999 | \$66,582 | \$66,221 |
| Over 500,000 | \$61,756 | \$60,073 |

LAB MANAGER

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | — | — |
| 50,000 to 99,999 | — | — |
| 100,000 to 499,999 | \$67,286 | \$65,414 |
| Over 500,000 | \$64,044 | \$63,333 |

LAB TECHNICIAN 2

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$38,559 | \$38,559 |
| 50,000 to 99,999 | — | — |
| 100,000 to 499,999 | \$34,082 | \$33,784 |
| Over 500,000 | \$33,064 | \$33,281 |

ENOLOGIST

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$46,626 | \$45,294 |
| 50,000 to 99,999 | \$45,691 | \$45,691 |
| 100,000 to 499,999 | \$44,893 | \$45,361 |
| Over 500,000 | \$47,587 | \$47,795 |

CELLAR MASTER

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$60,061 | \$63,096 |
| 50,000 to 99,999 | \$69,658 | \$68,718 |
| 100,000 to 499,999 | \$65,849 | \$66,320 |
| Over 500,000 | \$70,670 | \$73,141 |

CELLAR WORKER 2

| CASE PRODUCTION | AVERAGE SALARY | MEDIAN SALARY |
|--------------------|----------------|---------------|
| Under 50,000 | \$32,949 | \$32,779 |
| 50,000 to 99,999 | \$32,130 | \$32,529 |
| 100,000 to 499,999 | \$33,112 | \$32,418 |
| Over 500,000 | \$30,674 | \$31,311 |

The size of the winery seems to have little effect on salaries for **assistant winemakers**, however, as they all hover in the low- to mid-\$60,000s. The average salary for assistant winemakers at small wineries is \$60,863, \$64,485 for medium wineries and \$61,756 for extra-large wineries.

There were some variations in the salaries for **cellar masters**. At small wineries, the position averaged \$60,061, at mid-size wineries \$69,658, at large wineries \$65,849, and extra large wineries \$70,670.

Average salaries for **cellar workers** hovered at about \$32,000, regardless of winery size. The highest earners were at large wineries, with an average salary of \$33,112, while cellar workers at extra large wineries earned an average of \$30,674, the lowest in the industry. Small wineries pay cellar workers an average of \$32,949, while mid-sized wineries pay \$32,130 on average. **wbm**

***NOTE:** This year *Wine Business Monthly* partnered with an independent consulting firm that specializes in compensation and salary surveys to provide the data for its annual Salary Survey. The company, **Western Management Group (WMG)**, has been conducting the Wine Industry Compensation Survey since 1991, so is uniquely qualified to provide accurate, comprehensive data on wine industry salaries. For more information, visit www.wmgnet.com or call 408-358-0450.

Western Management Group. "People have realized over the years that the winemaker is basically the nose and taste of your brand, so you better be sure to be compensating them well. As long as people are willing to settle for market salary and as long as they are having personal growth or new challenges, they stay at their companies."

Winemaker salaries are higher at Napa wineries than anywhere else in California, though Sonoma County is nearly on par with their neighbor. According to this survey, the average

Napa winemaker salary for wineries producing 100,000 or fewer cases is \$107,146, compared to Sonoma's average of \$103,767. In other regions of the state, winemakers at smaller wineries earn \$77,756 in the Central Valley, \$90,814 on the Central Coast, and \$89,380 in Monterey Bay (see **CHART 6**).

"We used to see large swings between Napa and Sonoma counties, but we're not seeing it as much anymore," said Philpott. "In fact, in some positions we are seeing salaries higher in Sonoma County. Overall, they are almost on par. It's getting closer together every year."

Survey results also indicate that, with key positions, small (under 50,000

cases) and mid-size wineries (50,000 to 99,000 cases) have become very competitive in terms of salary with the larger wineries.

Overall, winemaker salaries varied to some extent by **winery size**; winemakers at mid-size wineries received on average the highest salaries, at \$114,437 (up from \$112,844 in 2006). Large winery winemakers average \$105,593 (up from \$101,166 last year), and winemakers at small wineries average \$96,211 (down from \$100,843). The lowest average salaries are for winemakers at extra-large wineries (producing over 500,000 cases), who earn an average of \$86,966, up from \$85,344 in 2006 (see **CHART 7**).

CHART 6
Napa and Sonoma continue to lead with the highest salaries for winemakers in CA.

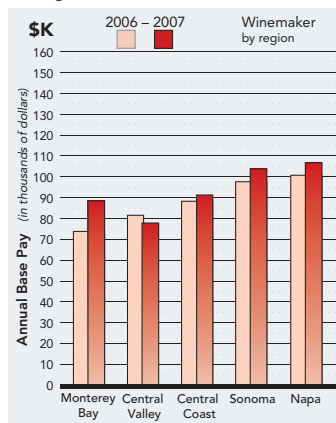
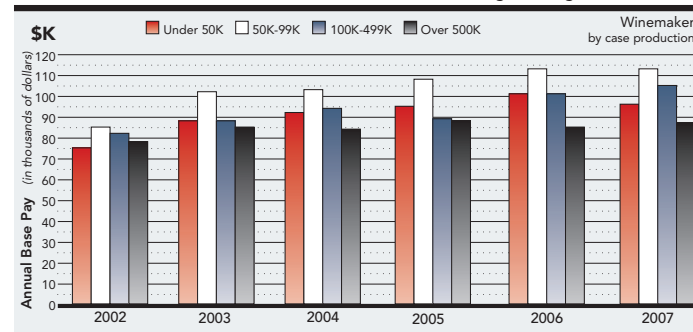


CHART 7
Winemakers at mid-size wineries continue to receive on average the highest salaries.



Methodology
This survey polled 111 wineries; 30 percent of the surveyed wineries produce fewer than 50,000 cases, 15 percent produce between 50,000 and 99,999 cases, 21 percent produce between 100,000 and 499,999 cases, and 34 percent produce more than 500,000 cases. Geographically, 33 percent of respondents were from Napa County, 18 percent were from Sonoma County, and California's Central Coast, Central Valley and Monterey Bay areas each represented 9 percent of responses. The remaining 22 percent of respondents were from other regions in California, as well as Washington or Oregon.

In terms of number of employees, 18 percent of the surveyed wineries have fewer than 25 employees, 16 percent have 25 to 49, 23 percent have 50 to 99, 16 percent have 100 to 249, and 28 percent have 250 or more. The survey was designed so that each category had to have at least three wineries reporting data, each winery had to have at least three existing employees in the category, and no single employer could account for more than a third of the data.

WBM SURVEY REPORTS
To review past salary survey reports—and all archives—visit www.winebusiness.com.