

2008 Salary Survey Report:

Salaries increase by 4.7 percent, with direct to consumer and marketing positions showing the biggest trends upward.

Mary-Colleen Tinney

Mary-Colleen Tinney has been a writer and editor with *Wine Business Monthly* for over eight years. Focusing mainly on sales and marketing, Tinney has also been the retail sales analyst since late 2004.



WINE INDUSTRY SALARIES continue to rise despite recent economic worries. Results of the 2008 *Wine Business Monthly* Wine Industry Compensation Survey Report reveal that 80.5 percent of all wine industry jobs showed an increase in annual base pay since 2007, up from a 64.2 percent jump last year. Wine industry jobs showed an average increase in annual base pay of 11.1 percent since the 2004 report while total compensation increased 12.1 percent from 2004 to 2008.

Overall, the salaries analyzed in this survey have increased by 4.7 percent, compared to 4.1 percent in 2007. Growth of salaries in the wine industry slightly outpaces growth seen in the national average across all industries, which is about 3.8 percent, according to **Western Management Group (WMG)**, a Los Gatos, California-based research firm that has conducted this survey since 1991.

Further, salaries continue to rise across the board for all major wine industry salary categories.

As always, certain segments of the industry are growing more robustly than others. Executive level positions are showing strong double-digit growth, especially in sales-related positions. Marketing and sales positions had the highest percentage of new positions added and increases in salary and bonuses than any other segment of the survey.

Vineyard and winery operations had salary increases just about even with the overall 11.1 percent survey average. Cellar positions, however, were well

“The salary gaps have closed. In some cases, Sonoma pays higher salaries; sometimes it’s the Central Valley with the higher salary. It’s based completely on position and job function.”

Donna Bowman, Western Management Group

below average, with just a 3 percent base pay increase. Bottling line workers, however, have had a 10.1 percent increase in base pay over the last five years.

EFFECTS OF THE ECONOMIC DOWNTURN AND INCREASING CONSOLIDATION

For at least the last decade, the major wine industry trends of nearly every year were often driven by ever-increasing consolidation and speculation about the economic health of the U.S. market. True to form, 2008 is no different.

One of the most easily identifiable trends is that companies are far more judicious when hiring new employees or replacing someone who has left the company. “I think the economy has impacted the entire industry. It is not

immune, regardless of what people say about wine sales being up overall,” said **Fred Philpott of The Stevensville Group**, a wine industry-focused executive search firm based in Healdsburg, California. “I think the smart wineries are hunkering down and being much more critical when positions open up, asking themselves if they really need to fill that position. That being said, if there’s a critical position, it will be replaced. But if wineries can expand other people’s responsibilities to replace those duties they’ve lost through attrition, they look to do so.”

As a result of the more careful hiring process at the winery level, the remaining employees are expected to maintain the same level of work—in both quality and quantity—despite the smaller staff. “People are being asked to expand their responsibilities,” said **Amy**

Leyack, partner at **Recruiting Resources, LLC** in Santa Rosa, California. “Especially in the case of tasting room managers, they end up wearing a lot of hats. There’s more of an expectation now of that person having more of a property manager role, especially in smaller wineries. Their role has expanded but not necessarily their salary.”

“I think administratively, operations are becoming leaner,” said **Fred Hood of Fred Hood & Associates**. “[A winery might be] letting three or four administrative people go because there is too much duplication there. Where the winery had a vineyard manager with three assistants, now they have one. Everybody’s tightening up a bit, which I expect to continue for the next two or three years.”

The increase in the employee’s job duties and expectations the winery has of the position is not limited to administrative or hospitality staff. Winemakers are now being asked to take on larger roles in support of sales, marketing and public relations projects. “Some of the winemakers respond well, but for a lot of them their response is that it’s not what they were hired to do,” said Leyack. “We are now seeing these marketing requirements in the winemaker job descriptions. Wineries are making it a lot more explicit because nobody wants to be surprised. It’s definitely a departure from the past.”

“I do see an increase of the ‘roll up your sleeves’ mentality; whatever it takes to get the job done,” said **Dawn Wofford of Benchmark Consulting**.

“Hospitality as a rule encompasses so many things. Depending on the size of the winery and what they do, hospitality managers will probably be asked to oversee a larger portion of that. They are increasing compensation, but not by a considerable amount. Winemakers are being asked to go to events, because who best represents the wine more so than the winemaker? The ideal winemaker would be someone who has a public relations personality and persona that can embody the winery and the winemaking styles. Someone who can talk about the wines and represent it to the highest level of consumers and the trade.”

In the current unpredictable economy, wineries are reexamining their staffing, policies and procedures to determine how they can both save money in winery operations and increase profits from sales and distribution.

“All retailers, large and small, are running scared,” said **Donna Parker** of Sonoma County-based **WinePro Recruiters**. “On-premise is off tremendously, and trade-downs are rampant. Not much new brand building is happening out there right now. So, winery owners are sitting back and observing what is *not* working. They will make decisions by the end of this year about how to change the landscape to address these issues.”

Several years ago, when wine sales were thriving in a booming U.S. economy, wineries gravitated toward putting their focus (and, thus, salary investments) into segments that built the brand quality reputation rather than sales volume. As such, compensation levels for the winemaker, vineyard manager and similar viticulture and enology positions enjoyed strong growth rates.

As the overall U.S. economy slowed, wine companies began to refocus their attention on cutting costs, increasing efficiencies and boosting overall profitability. That trend has carried over into 2008, and wineries are clearly investing much more money into job segments that directly affect the financial health of the winery, such as marketing, sales and direct to consumer positions.

In those few key positions where wineries are willing to increase compensation, opportunities are being cre-

“I think that the economy has forced the wine industry and especially smaller suppliers to really step up their game. They are now investing \$100,000 to get that national sales manager.”

Dave Blevins, Dave Blevins & Associates

ated for the right, qualified candidates. “The growth this year is in sales, particularly national sales managers and back-of-the-house operations, like the CFO or controller,” said **Dave Blevins** of **Dave Blevins & Associates**.

“I think that the economy has forced the wine industry and especially smaller suppliers to really step up their game,” continued Blevins. “They’ve always used a broker network and never had a dedicated national sales manager. Now they are investing \$100,000 to get that national sales manager. They can’t get away with using a broker anymore. Sales and finance are the most important functions in the winery today, even more than winemaker.”

Hood believes the emphasis on sales is due, at least in part, to industry consolidation. “The more consolidation there is on the distributor level, the larger their books become. Midsize companies are responding by getting leaner in upper management but fatter with people on the street,” he said. “That’s where the impact is felt most and where the winery gets the mindshare. For wineries, unless they are in the distributors’ top 10, they are not being sold.”

Some feel that the emphasis on—and higher compensation for—sales positions is disproportionate given the amount of education and time winemakers need before they enter the workforce. “I’ll find a winemaking job with a \$100,000 salary for someone with 15 years’ experience and a degree from UC Davis,” said **Hank Teahen**, principal of **The Teahen Group**, an

industry recruiting firm. “A five-state regional sales manager might not have the education or the experience, but gets the salary. A sales position will start in the \$70,000 range, where an assistant winemaker with a good degree and chemistry background has an entry level salary around \$50,000. There’s always something out of balance, and in the wine industry, wine-making is out of balance.

“Wineries need to invest more in winemakers and production people than other positions in the industry,” continued Teahen. However, he understands the reasoning wineries have for giving higher salaries to sales positions. “The wineries have not, to my experience, improved production salaries. Wineries see winemakers as more of a production role than a revenue-producing role. They are going to invest in the positions that generate revenue, and the only positions that do that are sales. As I tell everyone, for the wineries, everything else is just overhead.”

MAJOR SALARY CATEGORIES

Executive and sales-oriented positions have shown the largest increases. In 2006 winemakers had the highest increases in salaries.

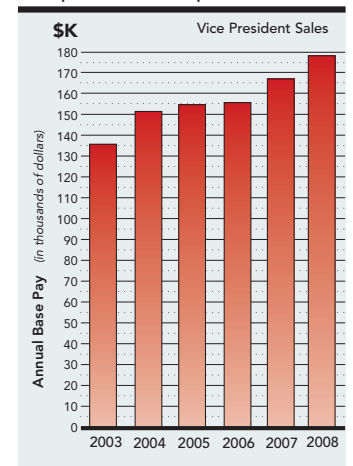
Of the five top-level positions analyzed (winemaker, vice president of sales, vineyard manager, tasting room manager and office manager), the largest growth rates over the last six years are in the **vice president of sales** position, which has shown the most growth since 2003, jumping 31.1 percent to an average salary of \$178,082.

Between 2007 and 2008, salaries in this function have grown 6.8 percent (CHART 1). Sales professionals have consistently earned among the highest salary ranges in the wine industry, so it is unsurprising that the vice president of sales is, by far, also the highest paid of the five top-level positions.

“There’s always a lot of activity with the vice president of sales because every winery is trying to find their guru who can improve their business, particularly in today’s economy,” said Teahen.

CHART 1

The average salary for a vice president of sales position rose 6.8 percent from 2007.



Blevins feels that salaries in sales are increasing by even more than this survey reflects. “Sales are where wineries are spending some money,” he said. “Compensation is going up 20 to 24 percent. It’s also the biggest revolving door in the wine industry today.”

This year saw wineries paying much greater attention to direct to consumer sales, a focus that’s reflected in the dramatic increases in **tasting room manager** salaries. The next highest salary increase since 2003 is in this position, which has grown 24.7 percent to reach an average salary of \$54,744. Over the last year, salaries have increased 10.6 percent, the largest increase between 2007 and 2008 (CHART 2). This continues the salary improvements in the category that were seen in last year’s survey.

“The trend again with the direct to consumer being more of a focus is continuing,” said Leyack. “We are seeing a lot of movement of seasoned tasting room and wine club managers. In the



CHART 2

Salaries for tasting room managers have jumped 10.6 percent in the last year.

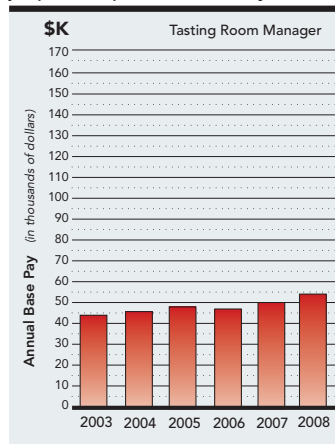


CHART 3

Vineyard managers' salaries have grown 1.6 percent over the last year.

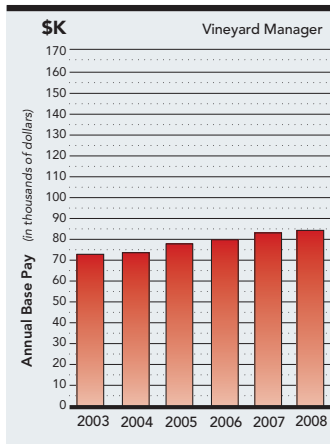


CHART 4

Average salaries for winemakers are up 2.1 percent from 2007.

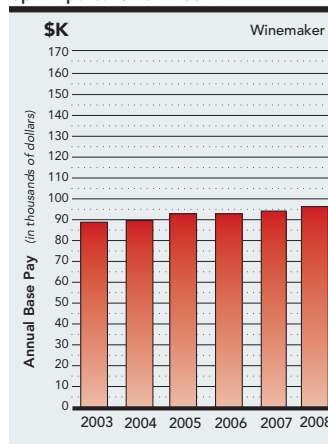
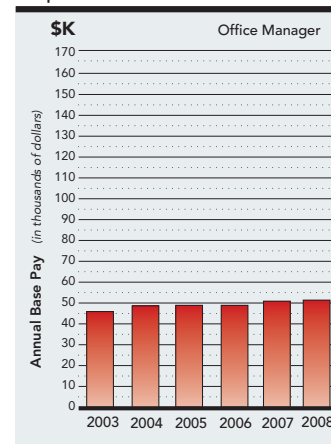


CHART 5

Salaries of office managers have grown 3.1 percent from 2007.



last year, we've seen less demand for executive-level talent."

It appears that the increased attention to direct to consumer positions is resulting in higher compensation levels for skilled employees in that arena. "A good tasting room or wine club manager can really bring in a lot of revenue to a winery," said **Carolyn Silvestri of The Personnel Perspective**. "That's now being recognized, and those people are being rewarded with an increase in compensation levels. Top management will support a strong club or direct to consumer staff that produces the results they are paying for."

However, some feel that wineries are not doing a good enough job at attracting and compensating their direct to consumer positions. "The most under-served area that is critical to a winery's success is still in consumer-direct positions," said Blevins. "The bottom line is these wineries have got to reinvent the way they do business. This industry is lazy, lazy, lazy. They coasted along in a good economy. Now they are being forced to step up their game. They have to be more creative in the way they get consumers to spend their money."

Teahen believes a cultural shift in wineries needs to occur in regard to the tasting room employees. "The wineries see those [tasting room] jobs as retail clerks rather than being really important. I think they're missing a great opportunity," he said. "That is where the customers are coming into first contact with the winery. The tasting room staff needs to be more than just

pouring wine behind the bar; they need to be educated and to be able to talk about all aspects of the wine."

Vineyard managers' salaries have grown 15.6 percent over the last six years and 1.6 percent since 2007 to reach \$84,826 (CHART 3). These are the

"Vineyard and retail positions are underpaid in my opinion," said Parker. "If wine is really 'made in the vineyard,' why are the people who manage those vines so underpaid in comparison to winemakers? Just as the winemaker does, the viticulturalist jobs require a four-year degree and technical

the industry. "I think there's a void in enologists and viticulturists with formal training. There's a shortage of vineyard managers that have a strong, formal viticulture background," said Philpott.

"There are only a handful of universities that offer degree programs in enology and viticulture," he continued. "They are just not graduating the numbers of winemakers and viticulturists needed as the wine industry continues to grow dramatically across North America. That's a segment of the wine industry in need of talent. So, if a person has an interest in winemaking or farming grapes, that's an opportunity, especially if they are willing to move to regions other than Napa or Sonoma."

As wineries move to more environmentally sensitive practices, there will likely be even fewer candidates available with the right experience. "As the industry further embraces Biodynamic/organic practices, vineyard managers trained in these farming techniques are going to be in even greater demand," said Philpott. "Those that have that knowledge are going to command higher salaries."

Leyack agreed, indicating the trend extends outside of the vineyard. "Wineries haven't just been asking for a winemaker or a cellar master, they are asking for someone who has experience with organics and Biodynamics," she said. "That's been a bit of a change from the past. Maybe as little as five to seven years ago, wineries that may have dismissed Biodynamics are now adopting

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Fred Philpott, The Stevensville Group

highest salaries for a vineyard manager that *Wine Business Monthly* has seen.

However, while vineyard managers continue to receive compensation increases, vineyard operations categories are not as healthy. Vineyard operations positions include low-paying, sometimes seasonal, jobs such as cellar workers, a position that saw a nominal pay increase of 0.5 percent to reach \$32,372 in average salary.

expertise. These people need increased respect to offer their incredible expertise for strategic planning. A major responsibility of winery owners is to bring their disparate employees together to communicate for the common good of the winery and the wine."

Compounding the problem is that some feel there aren't enough experienced winemakers and viticulturists in



these progressive techniques.

"There's not enough talent in production positions for wineries looking for people with eco-winemaking knowledge, such as organic grape growing and Biodynamic experience."

"You do see a lot of talk about organics and Biodynamics," said Wofford, "but it's also a very polarizing topic. You would be surprised how many wineries are [not interested]. There are way more folks that are actively not organic than are organic. They may be a portion organic, but not overall."

Winemakers' salaries continue to be among the highest in the industry. Average salaries for winemakers have continued their upward trend to reach \$96,419, up 8.9 percent from 2003 and 2.1 percent over 2007 (CHART 4).

"What will be interesting to see over the next couple of years is if we see a reverse transition from Oregon, where they've been embracing these [environmental] practices for a long time," said Leyack. "We haven't seen that yet. We actually haven't been very successful in convincing winemaking professionals to leave Oregon."

Office supervisors and office managers are also increasing their compensation levels. Salaries of office managers have grown 3.1 percent between 2007 and 2008 for an average of \$52,000. Since 2003, the category has grown 12.6 percent (CHART 5).

MINOR 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 diverse sales and marketing category includes vice presidents of sales, vice presidents of marketing, national account managers, sales repre-

sentatives and public relations directors. The new direct to consumer category includes positions that are aimed at increasing sales and/or the brand profile among consumers, including wine club managers, tasting room managers, tasting room staff and special events coordinators. The vineyard category includes only vineyard managers. The winemaking 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. These salaries are mixed in comparison to 2007 overall, though movement in this category is obscured due to insufficient data in some winery categories. The reason for this may be the structure of the polled wineries; wineries might have a CEO, a general manager and/or a president.

"The top-level person at the winery still demands a high salary," said Philpott. "I don't see that taking a step back. That's also the case in other key positions like winemakers, the head of sales and the head of marketing or operations. Everyone's looking for the best people, the top talent when those opportunities come up. They are willing to pay a premium for the best people."

CEOs at extra large wineries averaged a salary of \$326,667 in 2008; 2007 data was unavailable, but the 2008 salary is even with \$326,743 in 2006 and down from \$369,170 in 2005. Large wineries averaged \$317,432—up from \$315,762 last year, down from \$344,119 in 2006 and up from \$300,752 in 2005. CEOs at medium-sized wineries had an average salary of \$207,797—down from \$223,001 in 2007 and \$247,939 in 2006, but up from \$176,400 in 2005. CEOs at small wineries averaged \$230,653—down from \$315,541 last year, but up from \$191,826 in 2006 and \$172,340 in 2005.

"[These positions are] more hands-on," said Hood. "Historically, CEOs, presidents and general managers had to be good delegators. Now they are out in the industry more, walking into stores and restaurants more often. They are

ADMINISTRATIVE

CHIEF EXECUTIVE OFFICER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$230,653	\$230,653
50,000 to 99,999	\$207,797	\$218,911
100,000 to 499,999	\$317,432	\$317,432
Over 500,000	\$326,667	\$326,667

PRESIDENT

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	----	----
50,000 to 99,999	----	----
100,000 to 499,999	\$228,358	\$228,358
Over 500,000	\$253,571	\$253,571

GENERAL MANAGER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$142,479	\$135,631
50,000 to 99,999	----	----
100,000 to 499,999	\$149,991	\$148,859
Over 500,000	\$152,475	\$150,194

CONTROLLER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$88,873	\$88,525
50,000 to 99,999	\$102,438	\$102,438
100,000 to 499,999	\$102,036	\$104,293
Over 500,000	\$118,810	\$118,810

HUMAN RESOURCES DIRECTOR

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	----	----
50,000 to 99,999	----	----
100,000 to 499,999	\$108,166	\$115,410
Over 500,000	\$117,400	\$117,400

out in the street, working in the heart-beat of the industry."

No data was available for the president position at either small or medium-sized wineries. At large wineries, presidents' salaries averaged \$228,358, up from \$207,535 last year (the first year data was provided). Extra-large winery presidents average a salary of \$253,571 (down from \$291,264 last year, but up from \$243,231 in 2006 and down from \$280,192 in 2005).

General managers at small wineries averaged \$142,479—up from \$139,986 last year, \$131,769 in 2006 and \$113,949 in 2005. No data was available for GMs at mid-sized wineries, while large winery general managers earned \$149,991—up from \$127,190 in 2007 and \$139,739 in 2006. The average salary for GMs at extra large wineries was \$152,475—slightly down from \$153,807 last year, but up from \$135,851 two years ago and \$140,650 in 2005.

"One thing I've seen is smaller family-owned wineries bringing on a

strong general manager," said Leyack. "That was a tough one to swallow a few years ago with the salaries they require and also because they thought they could handle those duties on their own. Now they are seeing other wineries reaping the benefits of having someone overseeing the whole operation and are looking for that in their own winery."

Controller positions also averaged fairly high salaries in 2008. At small wineries, the position earned an average of \$88,873 (down from \$98,744 in 2007, the first year data was provided). Controllers at mid-sized wineries average \$102,438 (up from \$100,422). Large winery controllers earned an average of \$102,036 (up from \$99,666) while extra-large wineries paid controllers \$118,810 (up from \$104,819) on average.

"Wineries that never had someone on the controller or CPA level, they are realizing they have got to create the cost savings and efficiencies that a person in that position can provide," said Blevins.



“The chief finance position is critical and wineries are willing to pay a premium for that talent,” said Philpott. “They typically are immersed in the whole of the business and, as such, can provide a far greater value than just reporting the numbers.”

Only large and extra-large wineries provided data for **human resources directors** (HR directors). Typically, smaller wineries do not have human resources directors, leaving other staff members, such as controllers or office managers, to perform human resources functions. At large wineries, human resources directors averaged \$108,166 in the first year data was provided. The same position at extra-large wineries averages a salary of \$117,400, up from \$109,948 in 2007, \$106,031 in 2006 and \$101,976 in 2005.

Leyack feels that wineries are remiss if they don't have an HR person in-house. “Unfortunately, this industry views HR as a necessary evil,” she said. “There's a reluctance to hire anyone in HR until they absolutely need it. Unfortunately, with employer relations and workman's compensation issues, wineries that don't feel they need an HR person often need them the most.”

“If a winery has five or more employees, they should have someone who devotes at least part of their time to HR,” she continued. “There are so many laws that are changing. There have been a lot of lawsuits that could have been avoided with good HR practices in place.”

Sales & Marketing

“Senior management is looking at every position for how that role can maximize sales,” said Silvestri. “Everyone is receiving training on how they can expand the bottom line and increase revenue. Wineries are coming up with programs that allow people to be measured and educated on what they can do to help the winery reach those goals.”

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 the position are nearly identical in mid-sized and large wineries, but increase significantly in extra large wineries.

The VP of sales at mid-sized wineries' averaged \$154,286 (up from \$137,064 in 2007, \$130,752 in 2006 and \$121,342 in 2005). The salary for the position at large wineries averaged \$152,660 (down from \$167,238 last year but up from \$141,289 in 2006 and \$139,003 in 2005). Extra large wineries averaged \$186,287 (up from \$171,433 in 2006 and \$166,197 in 2005) for the vice president of sales.

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 for mid-sized wineries averaged salaries of \$136,883 (up from \$122,500 last year, the first where data was provided). At large wineries, the position averaged \$177,834 (up from \$151,001 last year, and about \$149,875 in both 2005 and 2006). At extra large wineries, the average salary is \$218,899 (up from \$191,172 in 2007, \$174,802 in 2006 and \$156,703 in 2005). No data was given for vice presidents of marketing at small wineries.

Salaries for sales positions are also on the rise further down the executive chain. **National account managers** at large wineries averaged \$92,442 in the first year of data, and at extra-large wineries the position averaged \$105,605—up from \$102,742 last year, \$94,643 two years ago and \$77,735 in 2005. No data was provided for other categories.

“The national account manager is becoming more and more important as a job category in the wine business,” said Parker. “It's a byproduct of fewer distributors making more demands of wineries.”

“A national account manager can almost be as critical as the vice president of sales,” said Teahen. “In many wineries they are on the same level, salary-wise. This is a role primarily for major wineries in the top 10 in the industry. They are always looking for another way to manage that business.”

Smaller wineries rarely have national account managers, a move dictated primarily by economics. “The smaller wineries don't usually have the cash flow to manage those national accounts,” said Teahen. “They realize the potential, but they don't have the

SALES & MARKETING

VICE PRESIDENT SALES

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	----	----
50,000 to 99,999	\$154,286	\$154,286
100,000 to 499,999	\$152,660	\$156,075
Over 500,000	\$178,082	\$188,847

VICE PRESIDENT MARKETING

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	----	----
50,000 to 99,999	\$136,883	\$136,883
100,000 to 499,999	\$177,834	\$177,834
Over 500,000	\$218,899	\$218,899

NATIONAL ACCOUNT MANAGER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	----	----
50,000 to 99,999	----	----
100,000 to 499,999	\$92,442	\$100,349
Over 500,000	\$105,605	\$110,988

SALES REPRESENTATIVE

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$43,512	\$52,591
50,000 to 99,999	\$83,505	\$80,402
100,000 to 499,999	\$77,890	\$74,812
Over 500,000	\$66,229	\$69,262

PUBLIC RELATIONS DIRECTOR

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	----	----
50,000 to 99,999	\$92,497	\$92,497
100,000 to 499,999	----	----
Over 500,000	\$101,571	\$116,152

financials to address it. What happens is the smaller wineries will have a regional manager who's covering six or seven states, so the wineries ask them to make the call on the national accounts. Unfortunately, they are generally ineffective compared to the big boys.”

Sales representatives at small wineries averaged \$43,512, nearly even with \$43,055 last year but down from \$52,830 two years ago. Mid-size wineries averaged \$83,505 (up from \$74,982, \$69,805 and \$65,654 in 2007, 2006 and 2005, respectively) for the position. Large winery sales representatives had an average salary of \$77,890 (up from \$65,607 in 2007, \$59,676 in 2006 and \$43,600 in 2005). Sales representatives for extra large wineries averaged \$66,229 (down from \$68,189 last year, but up from \$62,829 in 2006 and \$52,509 in 2005).

“Sales representatives receive the least amount of investment or increases in compensation,” said Blevins. “That's where the rubber meets the road, that's

where a winery really understands what's going on with their retailers and in on-premise accounts. Wineries aren't making the investments at that level that they probably should.”

Public relations director (PR director) is a position that appears to be scarce within the winery environment, though Blevins feels the position is gaining favor at wineries. “I'm seeing a huge increase in PR managers,” he said. “Companies that have previously never had any PR positions are now investing there. I see a lot of wineries really making an investment in crafting a story and an image in creating the brand.”

Neither small nor large wineries had a sufficient number of responses to provide accurate data. For medium-sized wineries, the position earned an average of \$92,497 in the first year data was provided, while extra-large winery PR directors earned an average of \$101,571.

“PR managers are responsible for the image of the winery from vine to



bottle. There are not a lot of them out there, nor are they paid appropriately," said Parker. "Could there be a relationship between compensation and lack of people in the field?"

Direct to Consumer

One sales and marketing segment is showing particularly strong growth, at least in demand if not salary. "If there's any classification that's seen a significant uptick, it's in consumer-direct, wine club and tasting room positions," said Philpott. "There's more attention being paid to people in these classifications for a host of reasons, not the least of which is the potential revenue stream they create. There appears to be a higher priority on selling skills and wine knowledge, in addition to creating a consumer branding awareness."

Despite the increased revenues from direct sales, employee salaries in the segment do not come close to approaching the levels of other revenue-producing segments. "For as much attention that is given to the consumer-direct model and positive impact on revenue, I still think [salaries for these employees] are in a lag position when compared to traditional sales and marketing positions in the industry," said Philpott.

"That being said, we are seeing wineries increasing base pay, and more wineries are receptive to increasing the variable component," Philpott continued. "Wineries are also educating their tasting room employees more; the staff is expected to know more about the wines and certainly know how to sell. Salaries are up, and incentive schemes are up, generally speaking, especially in luxury brands sold through the direct model."

Donna Bowman with Western Management Group indicated that wineries are beginning to look for a more educated workforce. "With a couple of wineries that participated in the survey, they want the tasting room workers to have a college degree," said Bowman. "The [employees] have to be knowledgeable about the wines and be able to sell and communicate about the brand to consumers."

Others, however, feel more improvements need to be made in compensation for these roles. "The tasting room employees—the managers and individuals—are underpaid in relation to the

DIRECT TO CONSUMER

WINE CLUB MANAGER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$47,848	\$47,155
50,000 to 99,999	\$56,752	\$56,752
100,000 to 499,999	\$55,513	\$55,513
Over 500,000	\$51,075	\$51,075

TASTING ROOM MANAGER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$49,531	\$49,682
50,000 to 99,999	\$52,838	\$54,460
100,000 to 499,999	\$54,219	\$55,708
Over 500,000	\$54,744	\$54,448

TASTING ROOM STAFF

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$27,217	\$31,744
50,000 to 99,999	\$29,965	\$28,979
100,000 to 499,999	\$26,685	\$29,524
Over 500,000	\$26,389	\$26,785

SPECIAL EVENTS COORDINATOR

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$42,016	\$42,016
50,000 to 99,999	\$42,079	\$42,079
100,000 to 499,999	\$41,826	\$43,256
Over 500,000	\$39,827	\$39,013

increased emphasis on direct sales," said Leyack. "With the exception of some smaller wineries, I haven't seen that improve in the last year. I haven't seen that increase much despite it being a huge focus for so many wineries."

Wine club managers' salaries are in flux as the direct to consumer category evolves and the industry determines how exactly to organize direct sales responsibilities. At small wineries, the average salary was \$47,848, down from last year's average of \$49,649, but up from \$44,880 in 2006 and \$40,999 in 2005. At medium-sized wineries, wine club managers averaged \$56,752, up slightly from \$55,804 last year, \$54,648 in 2006 and \$45,800 in 2005. At large wineries, wine club managers average \$55,513, up from \$48,242 in 2007, \$46,667 in 2006 and \$45,122 in 2005. At the extra-large wineries, salaries averaged \$51,075, down from the \$52,796 averaged last year, increasing from \$48,665 in 2006 and down very slightly from \$51,346 in 2005.

"The smaller wineries with ambition are more willing to pay more than before to compete and grow," said Leyack. "Small wineries are willing to pay more for [direct to consumer] people to head up that effort because

they want to increase the percentage represented by that area of the business."

"Tasting rooms, in my mind, are the weakest link and most poorly run segment in this industry," said Blevins. "Wineries don't pay for the talent to lead the tasting room. They keep trying to hire \$9 to \$10 employees for the tasting room when they need an educator who can help create an experience so that the consumer wants to come back. It's not just a person pouring wine."

Salaries for **tasting room managers** hover between \$50,000 to \$55,000 almost exclusive of winery size. Tasting room manager salaries for small wineries averaged \$49,531, nearly identical to the \$49,640 averaged last year, but increasing from \$42,592 two years ago. Tasting room managers at medium-sized wineries averaged \$52,838—up from \$51,400 in 2007, \$47,454 in 2006 and \$48,135 in 2005. Large winery tasting room managers averaged \$54,219—up significantly from \$46,880 last year, \$46,741 in 2006 and \$45,667 in 2005. Extra-large winery tasting room managers have an average salary of \$54,744, a significant increase from the \$50,157 average in 2007, \$50,244 average in 2006 and \$51,270 average in 2005.

"Wineries are looking for a higher quality employee," said Wofford. "Our clients want the consumer-direct piece; they want to blow out the wine club piece. But secondarily to that they are looking for someone who can drive their active, on-site retail and tasting room experience."

"Incentives are low," she continued. "Occasionally wineries attract someone of a higher ability and they move them into appropriate positions in a short period of time. There needs to be a higher level of awareness for tasting room employees."

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 \$27,217 (up from \$24,726 last year, the first year data was provided). Tasting room staff at mid-size wineries average the highest salaries in the segment, but there is limited growth in actual dollars earned. The average of \$29,965 in 2008 is down from \$30,213 last year and \$30,126 in 2006. The downward trend continues with large winery tasting room staff, which earned an average of \$26,685, below the \$28,332 average in 2007. Tasting room staff at extra-large wineries earned \$26,389 in average base salary, down from \$27,763 in 2007.

Bowman said that commissions are a big part of consumer-direct sales positions, which considerably improves the total compensation for these workers. "There is more commission being paid [in tasting room positions] in the past couple of years, where the average base salary is between \$25,000 and \$30,000. In some cases they could be making that much in commissions," said Bowman.

Referring to the growth and expansion of the marketing side and wine clubs, Bowman said, "It has been amazing how wineries are trying to compensate those positions. We spent a long time [discussing] the different ways people are being compensated in these positions. The staggering amounts [and different payout structures] of commissions they are making are amazing."

In 2008, **special events coordinators** averaged \$42,016 at small wineries, \$42,079 at mid-sized facilities, \$41,826 at large wineries and \$39,827 at extra-large wineries. In 2007, the position



VINEYARD MANAGER

VINEYARD MANAGER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$79,358	\$79,358
50,000 to 99,999	\$91,809	\$91,809
100,000 to 499,999	\$77,934	\$82,115
Over 500,000	\$84,826	\$86,733

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 manager positions are difficult to decipher. Although salaries in the category have grown quite a bit over the last six years on whole, 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 \$79,358, a steep drop from \$86,814 in 2007 and \$83,676 in 2006. Medium-sized winery salaries for vineyard managers, on the other hand, average \$91,808, a strong increase from

\$82,536 last year and \$84,013 in 2006. Vineyard managers at large wineries earn an average of \$77,934, down from the \$81,978 average in 2007, but up from the \$72,675 average in 2006. At extra large wineries, vineyard managers earn \$84,826, about even with the \$83,584 average in 2007 and up from \$80,218 in 2006. All these figures are a marked improvement from 2005, however, when all average vineyard manager salaries were in the mid-\$70,000s.

Winemaker

Outside of sales and executive positions, winemakers command the highest salaries in the industry. However, that does not mean that everyone within the industry believes winemakers are earning what they truly deserve.

“The winemakers, assistant winemakers and enologists—there is high demand and low compensation,” said Teahen. “Many times people get into these jobs for the craft of it, and many times I see them not getting paid appropriately for it. Personally, I don’t believe they’re getting paid for their skills.”

Winemaker base salaries are slightly higher at Napa wineries than anywhere else in California, with Sonoma County nearly on par with their neighbor. According to this survey, the base pay for a Napa winemaker is \$106,373, compared to Sonoma’s base of \$96,988.

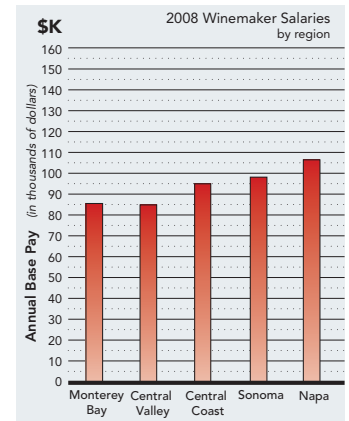
In other regions of the state, winemakers on the Central Coast earn a base salary of \$94,797; wineries in Monterey Bay earn a base salary of \$85,665, while in the Central Valley winemakers earn a base salary of \$85,508. (SEE CHART 6)

“A decade ago, Napa, by far, paid more than anyone else [across all job categories],” said Bowman. “The salary gaps have closed. In some cases, Sonoma pays higher salaries; sometimes it’s the Central Valley with the higher salary. It’s based completely on position and job function.

“For a couple of jobs, the Central Coast is paying the highest salaries,” she

CHART 6

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



continued. “As a matter of fact, for winemaking director, Sonoma was the highest, followed by the Central Coast and then Napa. Sonoma was higher than Napa for winemaker [in average salary]. Some places are still a tiny bit below [these salaries], but it isn’t as it was. People are realizing they are competing for the same [candidates] in some cases.”

“Napa is still in a lead position to Sonoma in most classifications, but the gap is closing,” said Philpott. “A rock star winemaker in Sonoma can earn significantly more than a winemaker in Napa, provided they have the reputa-

WINEMAKING

WINEMAKING DIRECTOR

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$120,802	\$114,054
50,000 to 99,999	\$131,001	\$131,001
100,000 to 499,999	\$148,508	\$150,473
Over 500,000	\$138,916	\$136,662

WINEMAKER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$103,890	\$100,990
50,000 to 99,999	\$111,161	\$108,988
100,000 to 499,999	\$94,822	\$96,833
Over 500,000	\$90,504	\$88,522

ASSISTANT WINEMAKER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$69,340	\$65,068
50,000 to 99,999	\$63,797	\$63,325
100,000 to 499,999	\$68,170	\$69,604
Over 500,000	\$63,272	\$60,195

CELLAR MASTER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$58,428	\$57,667
50,000 to 99,999	\$69,364	\$69,367
100,000 to 499,999	\$70,158	\$70,080
Over 500,000	\$71,360	\$73,594

CELLAR WORKER 2

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$30,994	\$31,214
50,000 to 99,999	\$33,525	\$33,643
100,000 to 499,999	\$31,604	\$32,386
Over 500,000	\$33,364	\$34,306

ENOLOGIST

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$47,502	\$45,155
50,000 to 99,999	\$47,868	\$47,868
100,000 to 499,999	\$48,255	\$48,138
Over 500,000	\$46,250	\$464,434

LAB TECHNICIAN 2

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$38,660	\$39,807
50,000 to 99,999	----	----
100,000 to 499,999	\$35,534	\$35,472
Over 500,000	\$33,593	\$32,466

LAB MANAGER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$58,849	\$58,849
50,000 to 99,999	----	----
100,000 to 499,999	\$71,069	\$71,069
Over 500,000	\$70,822	\$71,496



tion. Wineries are going to pay for the top quality person. Whatever discipline, the top quality people, the best performers get the highest salaries—and they should.”

Outside of California, where data was not available, the salary gap is also reportedly changing. However, recruiters reported that it is often difficult to convince a Napa- or Sonoma-based winemaker to move to emerging regions like Washington or Oregon. In addition to the lifestyle changes, many of these winemakers are caught by the shifting housing market and are unwilling to make a significant move.

Winemaking directors earn the highest salaries of any winemaking position. At small wineries, the position averages \$120,802; medium-sized wineries average \$131,001; large wineries average \$148,508 for the position and extra-large wineries average \$138,916.

Overall, winemaker salaries varied to some extent by winery size; winemakers at mid-sized wineries received on average the highest salaries, at \$111,161 (down from the \$114,437 average last year and the \$112,844 average in 2006). Winemakers at small wineries averaged \$103,890 (up from

\$96,211 last year and \$100,843 in 2006).

Large winery winemakers average \$94,822, down from the average salaries of \$105,593 last year and \$101,166 in 2006. The lowest average salaries are for winemakers at extra-large wineries (producing over 500,000 cases), who earn an average of \$90,504, up from \$86,966 in 2007 and \$85,344 in 2006.

The size of the winery seems to have little effect on salaries for **assistant winemakers**, however, as they all hover in the \$60,000s. The average salary for assistant winemakers at small wineries is \$69,340 (up from \$60,863 in 2007); medium wineries average \$63,797 (down from \$64,485 last year); large wineries average \$68,170 (up from \$66,582) and extra-large wineries average \$63,272 (up from \$61,756).

“Yesterday’s assistant winemaker is today’s winemaker,” said Parker. “Yesterday’s cellar master is today’s assistant winemaker. In other words, the job descriptions have stepped up for each of these positions. More is required all the time.”

There were some variations in the salaries for **cellar masters**. At small wineries, the position averaged \$58,428 (down from \$60,061 last year). At mid-size wineries the position averaged

\$69,364 (nearly identical to the \$69,658 average last year). Cellar masters at large wineries earned \$70,158 on average (up from \$65,849), and at extra large wineries, \$71,360 (up slightly from \$70,670 in 2007).

Average salaries for **cellar workers** again hovered at about \$32,000 regardless of winery size. The highest earners were at mid-sized wineries, averaging \$33,525 (up from \$32,130 last year). Extra-large wineries followed with average salaries of \$33,364 (up from \$30,674). Large wineries averaged a salary of \$31,604 (down from \$33,112), while small wineries pay cellar workers an average of \$30,994, lowest in the industry (and down from \$32,949 in 2007). **wbm**

This year Wine Business Monthly again 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, 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.

Methodology Box

This survey polled 181 wineries; 30 percent of the surveyed wineries produce fewer than 50,000 cases, 16 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, 36 percent of respondents were from Napa County, 20 percent were from Sonoma County, and California’s Central Coast, Central Valley and Monterey Bay areas each represented 10 percent of responses. The remaining respondents were from other regions throughout California, as well as respondents from Washington and Oregon.

In terms of number of employees, 18 percent of the surveyed wineries have fewer than 25 employees, 16 percent have 25 to 49, 22 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.