

The Oxford Wine Company was established in 1992 by Ted Sandbach, whose vinous career began after several years as a teacher of rugby and cricket at Magdalen College School. "Sport was my life," he says.

Sandbach recalls leading a cricket tour to the Caribbean (a school team which happened to include renowned film director Sam Mendes) and pondering his future. In the heady eighties, when supermarket wine was still in its infancy as an emergent sector for the general public rather than merely the elite, he developed an interest and was swiftly snapped up by Oxford-based Stevens Garnier. A few years later, and with entrepreneurial spirit in spades, he set up the Oxford Hamper Company.

"We started off working from our garage," he told me. The business evolved into the Oxford Hamper & Wine Company, followed swiftly by the decision to establish a standalone wine wholesaler.

Twenty-five years on, the business is based on a trading estate in Witney, north Oxford, where Sandbach bought premises in 1998. It's a warehouse with a network of labyrinthine vaults, which have been excavated for use as storage. Fronting up the office is a spacious retail shop, which manages to combine the tradition of wooden shelves and cut barrel displays with a crisp, modern impact.

TOUGH PROPOSITION

The Oxford Wine Company now operates two retail outlets, with the second situated along the busy Botley Road. Until last year, Sandbach also ran two shops in Cirencester and Tetbury, hoping to repeat the success of his Oxford properties. However, retailing outside the home turf proved a tougher proposition than anticipated.

"It was just too difficult. There was too much competition and it proved the point that you really need to know, and be known in, your area."

Having publicly declared that he would not be looking at further expansion into retail, Sandbach has been tempted back by the proposition of a town centre shop, which he plans to open early in the new year.

Why the change of heart? "This is Oxford. This is our homeland. We know we can make it work here," he says.

"We needed a presence in the city centre. There are no other wine shops, so it's ideal for us. This is a vital part of our

OXFORD WINE COMPANY
MANAGING DIRECTOR
TED SANDBACH TALKS TO
ANGELA MOUNT ABOUT THE
COMPANY'S JOURNEY AND
LOCAL WHOLESALE STRATEGY

TAKING A PUNT ON WINE

overall strategy. It creates profile, which in turn provides more awareness and recognition for our wholesale business. It shows that we are a serious player in the city and gives our customers confidence. The two are inextricably linked."

Wholesale and wine bars is where Sandbach sees the future. Just under four years ago, he opened the first of his two wine bars, in the upmarket residential area of Summertown.

Track forward and, with a further site close to the city centre, the wine bars, with their simple format of wine, charcuterie, seafood and cheese platters, and open all day for coffee and lunch, are proving highly successful. They have a turnover of £1.5 million, bringing in more profit in a month than the Cirencester and Tetbury shops did in a year.

It's a formula that appears to be working, with the company poised to develop more when the right sites become available.

COMPANY OBJECTIVES

But wholesale is clearly where Sandbach's priority remains, accounting for more than 70% of turnover. He is pragmatic about the company's objectives.

"When we closed the shops, we re-evaluated the business and regrouped,"

he reflects, adding: "Eighty per cent of our wholesale business lies within a 20-30 mile radius of Oxford. That is where we are known. Therefore that is where we need to concentrate our business."

The majority of trade is with independent pubs, clubs, hotels and retail shops. Business with groups is a low priority – Sandbach and his team trade on relationship-building and loyalty.

"You don't get that from groups, it's all about the best deal each year. It would make us more vulnerable."

In this age of consolidation, he views one of their biggest strengths to be the personal service offered to customers. The customer base stands at around 200 and in 80% of cases the company holds sole supply, supporting with designed wine lists, staff training and events.

Unlike many larger operators, the business is holding prices until the New Year, taking the hit on currency exchange and price increases from bigger distributors.

"Our customers know that price increases are coming and we are reserving the right to add a 5% post-Christmas surcharge, but we are helping them through the vital trading period," he says.

As well as choosing his customer base carefully, Sandbach is at pains to

emphasise the importance of his team, the calibre of the people he employs, and the mutual loyalty that evolves. "It's all about the people" he insists.

"There is no hierarchy. The drivers of our vans are as important as the sales people. I'm not interested in timesheets, I'm interested in results."

John Chapman, his operations director, is now in charge of the day-to-day running of the company, with Theo Sloom looking after events and marketing.

STRATEGY

He is also very clear about supplier and buying strategy. The company deals with around 100 suppliers. Fifty per cent of wines, largely European, are sourced direct, with the majority of New World wine purchased via UK agents.

"We are a regional wholesaler – it doesn't make commercial sense to ship directly," he says. The company also boasts an impressive list of more than 1,100 spirits.

While Oxford Wine Company is part of the Vindependents, only a small proportion of the range comes through this buying group, with the remainder selected by the team in regular blind tastings.

"We focus on small-producer wines with a point of difference. We don't deal with big brands, we won't stock Moët or Veuve Clicquot."

While the business deals with some major importers, such as Les Grands Chais and Gonzalez Byass, Sandbach won't work



Sandbach and his team keep it local

with many of the larger distributors, who are as likely to go and sell direct to his customers as sell to him.

"I have no respect for them," he says, bluntly. "We work with people who have clear channel management strategies, provide us with bespoke labels and who we trust."

In a climate of retrenchment and reduced margins, Oxford Wine Company has increased its turnover by half a million in the past 12 months, and impressively has moved its profits from £17,000 to over £150,000. The wine bars operate as a separate business unit.

Clearly, a considerable proportion of this is due to the sale of the shops, but Sandbach maintains that, as well as cutting overheads, profits have been boosted by better buying and a successful wholesale sales strategy.

Add to this a clear emphasis on his team and loyalty from both suppliers and customers, together with a heavy dose of realism, and 2017 may just be looking bright for at least one regional wholesaler. 

THE OXFORD WINE COMPANY AT A GLANCE:

1992

Established

27

employees

15

cafe staff

70%

of total business is traditional wholesale

Turnover

Oxford Wine Company: £4.1 million – up from £3.5 million in 2015

Profits circa £150k, up from £20k in 2015

Turnover

Oxford Wine Cafes: £1.5million

2

shops

2

wine cafes (trading as Oxford Wine Cafe)

More than 1,100 spirits

More than 1,000 wines

