

Taking a risk on retail

Two years ago, Ted Sandbach's Oxford Wine Company had sold its two shops and was happily focused on its wholesale business and a head office showroom. So why does it now find itself with four branches and an overdraft that makes its owner wince?

THE OXFORD WINE COMPANY began life 20 years ago in Ted Sandbach's garage, with a beaten-up Saab as its transport. As the business grew, it moved to a farm building and then to its current head offices outside Witney – an old brickworks that once housed aircraft machinery.

Two shops, in Lechlade and Woodstock, came and went as Sandbach opted to focus on wholesaling. Then, two years ago, the opportunity came to lease a unit on the Botley Road in Oxford, a shop Sandbach had coveted for some time. The company has subsequently opened branches in Tetbury and Cirencester.

"I've pushed the boat out, I've over-extended myself financially, there's no doubt about that," says Sandbach, "because each shop really costs about £150,000 to set up by the time you've taken it, converted it and put the stock in, all the tills and bits and pieces.

"But I've now got what I want, four shops, and I've absolutely no intention of opening any more."

Sandbach holds court in an office and tasting room graced by a framed picture of himself with occasional customer David Cameron (studiously not holding a glass of wine) and in the company of Theo Slood, who looks after marketing and runs a large slice of the firm's tastings and events programme.

So is the expansion phase over?

Sandbach: Wholesale wise we're

expanding all the time – I've got four full-time sales people, plus in January we took on Marcia Waters who is the chairman of the exam board for Masters of Wine, so she's quite high profile. She's principally a wine buyer, wine adviser, PR, and we've got two other MW students in our midst. It's a new role that was created for her. She's here two or three days a week.

Marcia's brought a few things she wanted straight away, things like Cremant



Take me home, Botley Road: the Oxford Wine Co finally has a branch in the city itself

de Limoux. She was doing a little bit of private selling so we've absorbed some of her wines but now that's all done and we've just brought out our new list, which actually changes from week to week.

It's nice to ring the changes and every now and again – buy 45, 50 cases of something, put 15 cases in each shop and say: bargain, there it is, good product. It doesn't have to be cheap. It just keeps the range interesting.

We're never going to please everybody all the time – we know that. A lot of people will look at us and think we're a little bit

expensive or exclusive. That's something we're very conscious of and in fact we've done a bit of work recently to try and change the perception, by having a few good value £4.99 wines around the place and a few special offers where we're making very low margins, just to show people we can do that kind of thing.

How many suppliers do you have?

Sandbach: Over 100. We ship in a lot from France, we ship in containers from Chile, we ship from Italy and we ship from Spain. We do it all ourselves. We're not part of any buying group – we do nothing with anybody else.

We've been approached to join a number of buying groups and I just don't see the benefit of it, and actually some of the prices I've seen are no better than I'm getting anyway. Some of the products I've tasted from some of the buying groups I don't think are that good. Here we are very, very strict on the quality. We will not take something on if we're not happy with it. I should think that only about 1% or 2% of wines we taste get on to our list.

Where's the best quality to be found right now?

Slood: SA is very good, a very exciting country. Spain and Italy make some great wines.

Sandbach: Chile in the mid range, it's producing some stunning wines. Italy is always interesting. Australia is dead. No one's really interested in Australia at the