

Over 6,000 Wines and Spirits

An Interview with Chris Adams,
Co-Owner and Chief Executive Officer, Sherry-Lehmann

EDITORS' NOTE *Chris Adams began his career at Sherry-Lehmann as a part-time sales associate during the holiday season in 1997, an experience which prompted him to seek out full-time employment with the company. He soon became a general manager, Managing Director, and Executive Vice President, before assuming his current post.*



Chris Adams

COMPANY BRIEF *Sherry-Lehmann (www.Sherry-Lehmann.com) was founded in 1934, and is currently in its 76th year of business. Catering to wine pundits and amateurs alike, the Sherry-Lehmann store combines old-world charm with modern sophistication. Sherry-Lehmann is consistently rated the number-one wine shop in New York by the Zagat Survey, and referred to as the most 'justly celebrated wine store in the nation' by Vanity Fair. Their new store is located at 505 Park Avenue in New York.*

In the wine and spirits segment, and specifically for Sherry-Lehmann, how much of an impact did you see on the business as a result of the economic recession, and have you seen business coming back?

It has come back, but in the final quarter of 2008, it was a real challenge.

Starting in 2009, we started to see things stabilize, so we began creating deals for our customers. At that point, people were looking for less expensive options, and if you could demonstrate to them brands they knew and trusted at a substantive discount, they responded.

In the last quarter of 2009, we saw revenues starting to go up. Most notable for us was that the champagne buyers were back. Champagne has been a bellwether for decades of economic rebounds. That has continued through the end of 2009 into 2010.

How wide of a range are your offerings?

Most of the wines that are advertised are inexpensive wines.

One of the greatest brands within our portfolio has been what we call the unsung heroes of Bordeaux. These are inexpensive \$10 to \$15 bottles of Bordeaux, and they get people interested in Bordeaux. You can buy in and begin to play a bit, and discover what Bordeaux is all about, and as you taste them, you start to step up and buy cru classé and then, as things get

better for you, you start on some of the more expensive wines.

In the economic downturn, a lot of our cru classé buyers who were buying more expensive Bordeaux stepped down to the less expensive Bordeaux. So we were there for them.

When you look at ensuring quality, especially in those vintage bottles, what type of facilities do you have and how challenging is it to maintain consistent quality?

It's more important than ever in this market, because there is a lot of wine out there.

We have always and will always continue to buy wine direct from the source: that is either the importer or distributor of record for the brand.

The only other vintages that we would ever buy, other than from direct source, would be from clients who bought the wine from us and stored it with us – that is a service we offer to clients. If 20 years down the road, you say you're not interested in the wine you bought from us, we'll buy it back.

But you have to be meticulous about where you're buying your older wines from and find out how they have been cared for, and the best way to do that is not to leave any questions unanswered and buy direct from the source.

As different wines from places like Chile and Spain have taken off, has it been important for you to broaden your offerings from those markets, and have you seen more interest in certain areas?

Absolutely. The consumer demands choice. We carry over 6,000 wines and spirits at Sherry-Lehmann. It would be easier to carry 600, but the consumer demands the choice. And the choice is not just France, Italy, and Spain; the choice is South Africa, Chile, Argentina, even the Far East.

So we follow all these and build them into our portfolio, and develop the brands within the portfolio. These wines have become as important as any of the old-world wines. The choice is part of what makes wine fun.

You have a very detailed Web site. How much does that drive revenue and sales, and has the impact of that forum surprised you?

The impact doesn't surprise me. We always look at technological developments as opportunities and not something to shy away from.

Has it been difficult to build Sherry-Lehmann.com? Absolutely. But it also now

accounts for almost 30 percent of our revenue. It's the one area during the economic downturn where we continued to see an increase in the percentage of revenue.

How has the move to the new store evolved, and have you been happy with it?

We have been ecstatic. We're there over three years now and we're still figuring it out. It's getting to the point where our salespeople and our staff are getting comfortable in the place, and our customers are very happy, mostly with how much more efficient we are. So it's a much better space.

We also have a room upstairs overlooking Park Avenue. We have corporate clients come in during the holidays, as well as our regular clientele who come in weekly to taste with us. We're also able to host classes up there, and get people more familiar with the location.

With your extensive array of brands, how much time do you devote to the education of your people?

When I started, we did staff tastings every Saturday morning, and we would taste 8 or 9 different wines. We're now educating our staff not just on Saturdays but also on Tuesdays or Wednesdays. In the past 18 months, we have hired a director of sales and education from the Society of Wine Educators. He brings in winemakers and producers from all over the world a few days a week, and having him on the sales floor as a point of reference has been great.

It's a real task, but it's one of the ways in which you can distinguish yourself, and retain people. Because these are people who have a passion, if you feed it by educating them, you retain their loyalty.

With the brand and its history, it seems there would be opportunity to expand to other markets. Has that been tempting?

It has, and it's something we're having more lively conversations about now, because we're recognizing that the brand is serving markets not just in the U.S. but abroad – the Far East, and South America are burgeoning areas for us.

You seem to be very engaged in the community as a brand. How important is that to the culture of Sherry-Lehmann?

In the wine and spirits business, you're asked to help out a lot and it's difficult to choose where to focus. So we pick our spots and make them representative of the kind of commitment we feel is appropriate for our company. And that is very rewarding. ●