Britain's biggest wine company

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This year Britain's biggest wine company is 40 years old. It is privately owned and still very much guided by one married couple. Tony Laithwaite, whom I have never seen at professional wine tastings and events, might be called the invisible man of the British wine trade – except that in the last few years, possibly prompted by the *Sunday Times* Rich List, the trade has at last begun to recognise his existence with various lifetime achievement awards.

But his wife Barbara Laithwaite is completely unacknowledged for her part in building up Direct Wines, which this year expects to sell £350 million worth of wine, not just in the UK but also in the US, Germany, Switzerland, Australia and, soon, Hong Kong. As their new CEO Simon McMurtrie puts it, 'everyone in Direct Wines knows there would not be a company without Barbara. She is able to combine long-term vision with the short-term need to balance the books etc. Left on his own, Tony would have run out of money long ago.'

She is more diplomatic. 'We've always complemented each other. He concentrates on the wines, marketing and the creative bit and I concentrate on the business side of things. I have a pragmatic nature and a logical, scientific brain.'

They met through her sister when Tony was studying geography at Durham. Barbara read chemistry. After a brief period as a statistician in a market research company in London, she ended up working for him in 1971, two years after he first drove a van full of wine back from the village in Bordeaux he'd got to know as a student and set up the company, then know as Bordeaux Direct, in a railway arch in Windsor. 'From the word go we were successful professionally but we only married in 1975 – to everyone's great relief',' she says now.

The company, which employs about 1,000 people globally, has always been unusually innovative. The first in the world to employ flying winemakers, well trained young Australians hired to turn cheap French grapes into modern wine, Direct Wines is now capitalising on the vast numbers of highly trained and motivated oenology graduates churned out annually by Adelaide university by offering them a contract winery in McLaren Vale to play in, thereby getting their hands on small lots of serious Australian wine. They have a similar outfit in Castillon on the banks of the Dordogne.

But Tony Laithwaite is probably best known to British wine drinkers via the Sunday Times Wine Club, which the Laithwaites have operated since Barbara negotiated the deal with them in 1973. Indeed *Sunday Times* editor Harry Evans' patronage of this young upstart was probably the single biggest leg up the company ever experienced – along with the establishment of a lifetime's friendship with wine writer Hugh Johnson, who is the Club's president. Today, Direct Wines is behind a good 90% of any wine mail order offer in the UK press and mailings from the likes of British Airways, the National Trust and several banks. If another outfit seems to be presenting some direct competition, they tend to buy it, as they did between 2002 and 2005 with Virgin Wines, Warehouse Wines of Preston, and even the venerable Averys of Bristol.

Their mailing lists are therefore unparalleled and today their chief income stream is from their principal UK mail order company, known as Laithwaites Wine since a 21st-century corporate decision to bring Tony out of the shadows.

Thanks to Tony, their tone and sales pitch has always relied on folksy, direct and extremely effective writing – so effective that even I can easily find myself swayed into a state of excited curiosity about what they describe as their exclusive special finds. Only partly because they are seen as outsiders, they have come in for more than their fair share of flak over the years from wine writers complaining that their policy of avoiding direct price comparisons is simply a ploy to allow them to overprice sometimes quite ordinary wine. But there seems to be a new energy in the wine buying department now under Dan Snook ex-Averys. They have also regained from Sainsbury's ('we should never have lost her') buyer Abigail Hirshfeld.

Over tea in a smart London hotel (a meeting that had taken literally months to arrange), I asked Barbara what she thought their greatest mistake had been. 'We probably relaxed a bit too much over the last four to six years', she admitted. 'We always prided ourselves on being light on our feet but I think we slowed down. I wouldn't say we were leapfrogged but we weren't as innovative as we should have been.'

For someone at the helm of such a successful company virtually without direct competitors, Barbara Laithwaite is

surprisingly edgy. ‘We do have competition', she insisted. ‘We’re copied all the time by companies like Majestic – the supermarkets less so.’ She is gloomy about prospects at home. ‘The whole UK wine business is going to change. The government is making it so hard to trade well here. In March 2011 duty will go up to £20.83 a case.’ Which means £1.74 will go straight to the Exchequer for every bottle sold, no matter what its price.

It is partly this that has driven Direct Wines abroad, virtually unnoticed by the rest of the UK wine trade.They have long had a similar operation in Australia but three years ago – great timing – they bought Lionstone in Illinois, a virtual copycat company they had known for over 20 years, to get a foothold in the vast and expanding US wine market. And since last September they have had a tie-up with the *Wall Street Journal*, which Barbara described as ‘the thing we’re most proud of’. They have apparently sold £20 million worth of wine to the *Journal*’s readers in the first nine months after hard-fought negotiations.

As if to prove that Murdoch ownership is not crucial to their expansion plans, this weekend they launch a similar deal with *Die Welt* in Germany, owned by Axel Springer, and are finalising a similar deal in Hong Kong.

All of this is run from their base in a large warehouse in Theale, Berkshire, where Direct Wines has planted a vineyard which produces a fizz. ‘We don’t own any buildings - at least I don’t think we do', Barbara told me. With a girlfriend, she also now has her own personal vineyard, which has helped revive her interest in the family business (all three Laithwaite sons, pictured here, are now connected with it in some way). ‘I’ve never had a profound interest in wine but I’m actually more interested than I used to be. We have two hectares of Chardonnay and Pinot Noir in the next village. We studied at Plumpton and we do most of the hand work between us. Winter pruning in old ski clothes sort of thing. It really makes you feel alive, responding to the seasons. Ours is much healthier than the Theale vineyard even though it’s only a few miles away.’

The Laithwaites have had their own health problems, but their financial health is not in doubt.

SOME RECOMMENDED LAITHWAITE WINES

Valdespera NV £7.49
Unfortified “sherry”

Senza Confini 2008 £6.99
Italian/Slovenian white blend

Harman’s Road, Gold Label Chardonnay 2008 Margaret River £8.99
Good balance

Dom St-Benoît Syrah Vieilles Vignes 2007 Vin de Pays d’Oc £7.99
Top Minervois effectively

Collezione di Paolo Riserva 2005 Chianti £10.49
Super lively

Mission Estate Winery Syrah 2007 Hawkes Bay £10.99
Liquorice-scented Kiwi.