

THE WINE PLAYGROUND

Where do cashed-up wine lovers go to engage with wine? Adam Lechmere reports on Honest Grape, the company that aims to offer wine with something extra.



You could call them the odd couple: the velvet-suited bon viveur who knows how to sabrage a bottle of Champagne, and the dealmaker, the money man with more than a touch of Bill Gates about him. Like all great partnerships, that of Tom Harrow and Nathan Hill works because their skill sets are so different.

Harrow and Hill met some seven years ago when the former was running a wine concierge business called Wine Chap. Its Twitter description was ‘Debonair but Dissolute’, and it neatly summed up Harrow’s approach. Through a network of contacts in Bordeaux, Burgundy and the fine wine regions of the world, Wine Chap organised tastings and high-end wine tours: big-game safaris with wine tasting in South Africa, truffle-hunting in Piedmont, a three-day gastronomic tour of the Veneto, and so forth.

While Harrow built Wine Chap into a thriving business with three or four full-time employees, Hill was busy running Qi3, the company he set up in 1999 which specialises in the practical commercialisation of technology. Its clients range from the University of Newcastle and Unilever to Cern and the UK Space Agency (they wrote the business plan for potential International Space Station investors). He then set up an offshoot, Qi3 Accelerator, as a business incubator, investing in a raft of technology startups. Hill was also a wine lover, and was

casting around for a new way of selling wine, without the remoteness of the great London wine merchants or the hucksterism of the big mail order houses.

The result is Honest Grapes.

How it works

The business model is part angel investor – financed by members’ subscriptions, with members have a say in choosing which wines are listed), part wine club and part wine merchant.

Hill likes to describe the company as “a farmer’s market for wine”, bringing artisanal products to customers without intimidating them.

The start-up finance came entirely from Hill (to the tune of about £1m, Meininger’s understands), with Harrow supplying his contact book and his palate. “I’ve got a great face for radio,” Hill jokes, but in fact he’s a voluble and engaging presence. In researching this article, Meininger’s discovered that his 84-year-old father is an illustrious magician, a Silver Star member of the Inner Magic Circle. Somehow, the information seems relevant.

Harrow’s palate is deferred to at every level. “This is what in investment terms we call conviction,” Hill says. “You’re believing in Tom and his sense of taste.” The website carries 230 lines, selected by Harrow initially and then whittled down by panels of

members. “It’s freedom from the tyranny of choice,” as Harrow puts it.

The list leans heavily towards France and Italy but with imaginative selections from Spain and Portugal. It’s a conservative selection, which must reflect membership tastes. Australia and the US are poorly represented, for example, and there is only one German wine. “We’re conscious it’s a weakness,” Harrow says. “Frankly we just haven’t got round to it yet.” Burgundy is a particular strength, with under-the-radar but excellent producers like the Australian Jane Eyre on the list. Harrow met her at a dinner in Burgundy, was “bowled over” by her 2013 Grand Cru Corton-Renardes, and quickly signed her up.

There are also some exclusivities, most notably a new venture with St Emilion’s Jonathan Maltus of Grand Cru Classé Chateau Teyssier, who shot to wine fame in the 1990s as one of Bordeaux’s most visible “garagistes”. Honest Grapes is now selling his Le Pontet, a single-vineyard cuvée, at £90.00 (\$129) a bottle. In championing Maltus, Harrow and Hill must have an eye on the US market, as a quarter of their membership is American. His Le Dôme, one of the early garage wines, is a perennial favourite of Robert Parker. They are now looking to persuade someone to make a kosher wine, for their “high-net-worth Jewish clients.”

Membership is offered in three categories: the Grand Crew Classé, the Premier Crew, and Friends. At the top end – “invitation only” – members have access to a rarefied vinous demi-monde. In one case, they literally get to play James Bond. As the website says, “Recent excursions include a Lafite vs Chave tasting on paddle boards off Vancouver Island, a ‘Drink and Dress Like Bond’ event with SPECTRE tailor Timothy Everest and Rolls Royce in Porto Cervo, and a SuperTuscans vs Second Growths dinner in St Emilion.” The 007 twist neatly encapsulates one of the unique selling propositions of Honest Grapes,

as Hill describes it: “we’re trying to be the non-corporate quirky personality.”

Harrow takes personal charge of Grand Crew members. “We meet about twice a month and email every other day,” Simon Philips tells Meininger’s. Philips runs Disney’s merchandise division for half the world and spends “£25,000 to £30,000 a year” on wine, all of it sourced by Honest Grapes, from kosher Chianti to Bordeaux Cru Classé and fine Spanish crus. The wine service is comprehensive: when Philips goes out to a restaurant, whether in New York, London or Madrid, Harrow checks out the wine list and advises him on his choices.

Out of a total of 1300 members, Grand Crew numbers about 500 (somewhat less of them active, or getting the same level of service as Philips, one imagines). It’s the Premier Crew which brings in the value. Hill is wary of divulging the split in sales with such a young company, but he does say Premier Crew members “spend far more on average than we’d expected – way above the model I’d based on the numbers from Virgin Wines, Naked Wines and the Wine Society.” Members contacted by Meininger’s tend to pay £50.00 to £100.00 a month, and the average bottle price is £17.00.

While the Grand Crew plays at being Bond, Premier Crew members get to meet artisan winemakers at convivial dinners. This is where the value lies for Mark Hellyer, the English owner of Chateau Civrac in Cotes de Bourg, Bordeaux, who sells “a significant amount, about a palette a year [to Honest Grapes]. It’s a great opportunity to make contact with a certain group – 35-year-old professionals. I’ve noticed that when they buy your wine at a dinner they tend to keep on buying.”

Members tend to be savvy wine consumers who value the scale of the operation. Dominic Lacey said he felt he was personally involved “in the whole process of bringing the wines to market”, and both he and other members contacted by Meininger’s compared the operation to Naked Wines, which “albeit slick, felt very much like an online behemoth without a name or face.” Another member, Steve Coops, said that members’ panel tastings were “a significant pull and made them stand out from the rest.” Everyone stresses the personal touch – arriving for a panel tasting, Peter Jansson said he met



Honest Grape members have access to a rarefied private world.

Burgundy’s Jane Eyre in the kitchen of Hill’s flat in Soho.

The young, urban, professional market that Honest Grapes is chasing places huge value on the personal touch – it’s always good to chat to a winemaker over the kitchen table. Harrow’s urbane personality is also a vital part of the blend. As anyone in the hospitality industry knows, a sense of the theatrical is key to success. Harrow has a reputation as the best-dressed man in the wine business. His bespoke Timothy Everest suits start at £5,000.00, and he has “five or six of them, all in shades of burgundy to lilac”. It’s all part of the act: he’s selling a lifestyle. His clients, at least at the top end, aspire to be the impeccably-tailored international cognoscenti, as comfortable in the back seat of a Rolls-Royce as they are on a picnic blanket at Glyndebourne or the best seats at Twickenham. One of his next events will be “Roll like Charles”, a reimagining of the life of Sir Charles Rolls, with Everest designing a series of costumes which Harrow will wear to events.

Real world digital

In setting up Honest Grapes, Hill was searching for that holy grail of the modern business: “the online-offline hybrid. How to be an online brand with an offline set of services and personality and activity”. The advantage of the business model is that overheads are small, there being no shop, and it’s flexible. “It’s like guerrilla warfare. We pop up everywhere – one week we’re in Brunswick House in London, the next we’re in Edel Assanti Gallery in NoHo [New York].” These events are “our shop window”, he says. They run some 300 a year, from AOC Bordeaux

dinners with winemakers like Hellyer, to the Bond-and-Rolls-Royce beanos for the big spenders of the Grand Crew.

Of course, many wine companies run events, many attempt the online-offline model, and many have flamboyant and charismatic frontmen. While Harrow is no mean businessman himself, it is Hill’s business acumen (and money) which is taking the company in a new direction. He cites the deal with Maltus as an example of how the partnership works. “Tom had the contact but it would have been very unlikely to come to fruition under Wine Chap because it required scale, in terms of financial planning and so on, to execute it.”

Honest Grapes is a very young company – Hill started financing the project in May 2014, and acquired the assets of Wine Chap that August. “Our business plan was to break even after 24 months, but we did it in 17,” he says. Turnover is £1m, and Hill expects that to be “Five to seven million in two to three years.” There are nine employees; operating costs are low – they never hold more than £9,000.00 of stock, for example, and work on 30% margins on sales.

As to the future, Hill says he is piqued by comments from friends who assume the company is a hobby project, and if he loses money he won’t mind because he likes wine. That isn’t the case, he insists. “I am in it for the long term – ten to fifteen years. A venture capital start-up would typically be two to three years.” Of course, he adds, if the right offer came and they saw an opportunity to “exit the company to someone who would take it on to another level,” then that might happen. For the moment, “it’s a serious business, and we’re in it to make money.” ■