A taste of success

Not many Australian wine brands have experienced the rollercoaster ride Simon Whitlam & Co has had. Stephanie Pentony spoke to co-founder Andrew Simon about how he helped to build the brand up and his hurdles and achievements along the way.

Andrew Simon and wife Hady have always had a passion for wine. In 1971, they began life in the liquor business by purchasing a store in what was then a back street in a working class suburb in the inner city of Sydney. “We bought Camperdown Cellars because we didn’t have any money and it was the cheapest we could find,” Andrew said. “The area was full of undesirables and you wouldn’t want to walk down the street at midday.” In the early days, Camperdown Cellars didn’t turn over much profit and Andrew and Hady soon realised they couldn’t make a living out of retail. They began taking steps toward building the business that would later sell for millions of dollars.

Borrowing some money, Hady travelled to Europe to investigate the market, purchasing wines that Andrew could sell back home. Within three years, the business flourished. Camperdown Cellars played a large role in helping the public understand international wine styles. The Simons began importing overseas wines direct from suppliers, it was unusual to import wines from overseas at the time, and the cellars were able to introduce to Australia some of the top wine labels in the world for the first time.

The business supplied wine to boardroom functions which saw Andrew giving advice on food and wine matching. He held comparative wine tasting events for customers, and wine features were introduced to teach people about the wines being imported. As sales began to rise, Andrew had an idea to franchise the business.

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– something that had not been done with an Australian liquor store before. “Our franchise agreement was so fair that nobody could knock it back and we made a lot of money from them,” he said. “Within a year we had 40 shops all over Australia.” As this was a new concept, Andrew had to travel to America to learn how to write a franchise agreement, because they did not exist in Australia at that time.

While Camperdown Cellars grew, the company eventually became too large for Andrew and Hady. They were looking to reduce their workload and in 1987 they decided to sell the stores to New Zealand-based investment group, Ascent Corporation. Finally able to take a step back from the Camperdown cellars, Andrew could then focus on his love of wine and the vineyard he and friend Nicholas Whitlam had purchased in the Hunter Valley region in 1979. Although chardonnay was a popular varietal in the late 70s and early 80s, there were not many Australian versions on the market. The men saw the potential to fill the hole and began planting chardonnay grapes in earnest. With the help of Arrowfield wines, the team were able to produce the wine from the grapes grown on their vineyard and in 1983, the first Simon Whitlam wine was released.

The wines sold out within three weeks and between Andrew’s reputation as a premium importer and seller of unusual and high quality wines and Nick’s father, Gough, the current prime minister of Australia the wines attracted a lot of media attention.

With things going rather well, Andrew and Nicholas made the decision to purchase Arrowfield wines when it came up for sale. Arrowfield was the largest vineyard in NSW and it had a number of owners,” Andrew said. “It wasn’t making much money, as they always seemed to plant too many red grapes when white grapes were popular and too many white grapes when red grapes were popular so we decided to give it a go.” Nicholas and Andrew formed a private syndicate in order to purchase the business and equipment of Arrowfield wines and group it with the Simon Whitlam Brand, with the hope of floating the business on the stock exchange. But due to the poor economic conditions of the time, the business required an equity partner – which came in the form of Japan’s Coca Cola bottling company, Hokuriku. The agreement the duo made saw Andrew becoming the managing director, with Nicholas the chairman and Andrew’s wife Hady becoming financial director.

While the agreement worked for a while, eventually Andrew and Hady grew tired travelling back and forth to Japan and decided to end the 10-year contract. After a brief struggle – “To break a contract in Japan is like killing your mother; it is just unheard of and you should never ever leave the company” – Andrew sold his share of the business back to Hokuriku and purchased another vineyard in the Hunter Valley, which he ran for 10 years.

A few years later Arrowfield sold the land of the Simon Whitlam vineyard but not the Simon Whitlam name. After careful consideration Andrew and Nicholas decided to buy back the Simon Whitlam name, but due to Andrew’s commitments with Molly Morgan he was not allowed to run another vineyard. The men decided to license the name to Cellarmasters.

Once Andrew had fulfilled his contract with Molly Morgan they were able to acquire the Simon Whitlam name once again, buying back their original vineyard. With the brand now back in the hands of the passionate men who first created it and distributors in NSW, QLD, ACT and VIC, the future looks rosy. But Andrew admits he couldn’t have done what he did without the support system he had behind him. “Nick Whitlam has been my business partner and friend for nearly 36 years,” he said. “We didn’t buy back the vineyard because we wanted to make a lot of money, it was purely an emotional attachment; our children were brought up there and we loved it.”

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