

## You're the Boss

The Art of Running a Small Business



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### Bringing the Tasting Room to the Living Room

By JESSICA BRUDER

Using a technology that sounds more NASA than Napa, [TastingRoom.com](http://TastingRoom.com) “reformats” wines from their original retail packaging into 50- and 100-milliliter, single-serving bottles. Technicians re-pour some 1,000 varieties of wine inside an oxygen- and particle-free Plexiglas clean room, which is 40 feet long and protected from contamination by a pair of airlocks, similar to the entry and exit vestibules on a spacecraft. Tiny bottles mean consumers can sample high-quality individual wines without committing to buy a traditional 750-milliliter bottle of each one.

**Employees:** About 40.

**Founder:** Tim Bucher, 47, is a serial entrepreneur who founded two technology companies, [Mirra](#) and [Zing](#), that were acquired by Seagate and Dell, respectively. Over the last decade, he’s held top posts at Dell, Microsoft and Apple, and he’s developed his own winery and olive orchard. Mr. Bucher grew up on a dairy farm in Healdsburg, Calif. and made his first wine at age 17. (“Of course, I didn’t drink it, right?” he said.) He began research and development for [TastingRoom.com](http://TastingRoom.com) two and a half years ago.

**Location:** Based in Los Altos, Calif., with an operations center in Santa Rosa.

**Pitch:** “Think about it: Do you just buy a car without test-driving it?” Mr. Bucher asked. “We bring tasting rooms from wine countries all over the world to your living room.”

#### START

The adventure of new ventures.



Courtesy of [TastingRoom.com](http://TastingRoom.com).

Tim Bucher, chief executive

**Traction:** Wine is a very fragile liquid. Mr. Bucher spent more than \$3 million developing the proprietary system he calls T.A.S.T.E. – for Total Anaerobic Sample Transfer Environment – to rebottle wine without oxygenating or otherwise altering it.

His company courts two kinds of clients: consumers, who can purchase mini-bottle samplers at TastingRoom.com’s online store, and wineries, which commission the mini-bottles for promotional purposes, including distribution to sommeliers and other potential buyers. TastingRoom.com currently works with about 300 wineries from 20 countries, including some major players: [Constellation Brands](#), [Treasury Wine Estates](#), [Kendall Jackson](#) and [Diageo Chateau & Estate Wines](#).

Thursday, TastingRoom.com plans to introduce a partnership with [Cost Plus World Market](#), which has committed to selling three new samplers – a line called Luxury Wines by the Glass – at more than 200 retail outlets nationwide.

**Revenue:** TastingRoom.com claims more than \$1 million a month in revenue and expects to be profitable by the end of next year.

**Financing:** The company has raised a total of \$10 million in venture capital and angel investments. Among its backers are James Meyer, president of [SiriusXM](#); Mark Jackson, president of [EchoStar](#); and Steve Luczo, chief executive of [Seagate](#); along with the [Seraph Group Venture Fund](#) in Atlanta, Ga. and [CampVentures](#) in Los Altos, Calif.

**Marketing:** TastingRoom.com hopes to win attention with samplers selected by famous wine lovers. So far, they’ve included chefs such as Mario Batali and Michael Chiarello, along with Gary Vaynerchuk, the online wine guru, whose picks were branded “Wine for Dudes.” The company has run promotions with [Gilt City](#), [Groupon](#) and wine associations such as [Napa Valley Vintners](#). And to encourage repeat purchases, TastingRoom.com packages its samplers with offers for discounts on full-sized bottles, emulating the refund of a “tasting fee” you’d get when making a purchase after trying samples at a winery.

**Competition:** Not a lot. Domaine Habrard, a vintner in the Northern Côtes du Rhône region of France, sells [samples of its wine in 60-milliliter vials](#). [Crushpad](#), a San Francisco microvintner that lets consumers make custom wines, [started a rebottling service called Brixr](#) last year selling packs of 50-milliliter samples but quickly discontinued it.

**Challenge:** “I want to scale this thing intergalactically,” Mr. Bucher said. So what is keeping him from expanding TastingRoom.com at the speed of light? “We have a very, very high bar on our quality control side,” he said. “Every single 750-milliliter bottle that we open, we actually take a sample of that and put it into our internal laboratory, which measures every single molecule in that liquid to make sure that the taste has no cork taint. We will never sacrifice the quality level, because we’re dealing with these amazing brands and we have to be perfect.”

On top of that, “we’d need more capital in front of that big wave of scale.” Until recently, that’s seemed daunting given the struggles of Wine.com, which famously burned through more than \$200 million before a lender foreclosed on it in 2001, making large venture firms wary of sinking capital into Internet wine endeavors. (It’s worth noting that, under new management, the now 13-year-old Wine.com [turned its first profit this year](#). And Lot18, an Internet wine retailer specializing in flash sales, announced Nov. 4 that it had closed a \$30 million round of financing, indicating that the online curse may be weakening.)

What do you think? Is TastingRoom.com an idea that can expand “intergalactically?” And how should it woo investors who may still be shell-shocked from the misadventures of other online wine retailers?