

**NC Wine & Grape Council Meeting Minutes**  
**Wednesday, September 12**  
**Greensboro Airport Marriott**

Chair Willard Hinnant called the meeting to order at 10:12 AM.

Bill Hatcher moved to approve the minutes from the July 26 meeting as written. Jerry Douglas seconded the motion, which passed.

Joe Neely suggested that the board approach decision making by coming up with a strategy, discussing spending constraints followed by the execution phase. He said that the board should be involved in the genesis of its program.

Charlie Shelton said that at the last meeting, suggestions were made to spend too much money on a website and map. He advocated for spending money wisely and not spending too much for a website. He added that he was not for LKM, not against LKM. He said that he would like to see Council run its own affairs.

Jerry Douglas said that additional funding gives the Council an opportunity to do more and make better impact. He said that billboards have been good, strong program. He added that the Council needs someone like LKM to help the group with strategic thinking. He also said that the Council needs perspective from professional outsiders. He went on to say that the link with Travel & Tourism is key, and that the Council can benefit from this association. He said that NC is competing with other states with bigger budgets, and that John Ketchum and team have a wealth of talent and know how to get the job done—especially in the tourism business. Finally, he added that strategy is more critical than tactics right now, and that the Council should try to think more broadly.

Dan Smith said that LKM presented good work at the last meeting, but failed at explaining the budget. He said that the Council should back up and look at where we want to go in constraints of budget.

Bill Hatcher inquired about the cost of \$85,000 for website and asked if that was correct. Jerry Douglas replied that the cost was a suggestion, not a quote.

Joe Neely inquired about the purpose of this board. He said that the Council needs to define its process and experts are okay to consult. Dan Smith concurred.

Lynn Minges commented that the Council had done a great job lobbying for more funding. She said that the Division of Tourism welcomed the Council in 2005, and that she has been pleased with the partnership formed thus far. She said that the Council's partnership with Tourism has resulted in staggering successes. She noted that Tourism had paid for baseline research which will help demonstrates success of the partnership in the future. She added that she sees lots of opportunity to improve this partnership. She also said that LKM was selected as Tourism's agency through competitive bid process, and that their prices are the same as their competitors.

Lynn Minges said that the Council has several options regarding marketing implementation, which she outlined as follows:

1. Use Department of Commerce resources, which are slim to none. Margo would do everything herself with the exception of graphics work done in house. She went on to say that Tourism chosen to outsource because Commerce resources were not sufficient.
2. Subcontract each individual project. This option is cheaper, but it is extraordinarily time consuming for Margo to play product manager.
3. Select an agency for most of the work with flexibility to outsource other jobs. This option streamlines the state procurement process and fosters strategic thinking. Start with a baseline goal and develop ways to increase business. The Division of Tourism shows 15 years of results based on this method. Allows Margo to delegate duties and then monitor success.

Jerry Douglas inquired about the relationship of the Tourism Board with the Division of Tourism. Lynn Minges replied that the Tourism Board and the Film Council are advisory boards. She said neither board is engaged in the details i.e. they are advisory instead of policy-making.

Joe Neely agreed that the Council's function should be more advisory. He said that the Council is not using the marketing committee to its full use. He added that maybe the board should serve as the marketing committee. He said that the Council needed to decide how it wants to function.

Lynn Minges used the analogy of building a house to illustrate her point about the Council's aspirations. She said you can build a one-story house with a door and a window, or you can build a mansion with marble countertops. She said that both were viable options, but that the Council needed to decide what kind of house it wanted to build.

Lynn Minges added that a web site would be a smart investment, based on research and industry trends.

Michael Helton said that the Council should hear ideas, evaluate ideas, present new ideas, and then exchange with each other. He said that the last meeting did not have the normal flow. He said that the Council should maintain control but that strategic planning may not be board's strong point.

Dan Smith said that the Council should craft a motion as a group describing how it is going to operate.

Jerry Douglas asked Lynn Minges how she builds her plan for Tourism. Lynn Minges responded that she takes a strategic, holistic approach. She said that Tourism funds concepts and that the strategic plan drives the budget.

Charlie Shelton said that the Council has limited money for marketing. Bill Hatcher inquired as to how was the budget developed.

Jerry Douglas said that the Council needs a strategic plan. He said that the last meeting was confusing and that the Council needed to do some higher level thinking. Charlie Shelton said that the board members need to decide if the Council is advisory or policy-making.

Lynn Minges reminded the Council to ask the fundamental questions:

- What are we trying to do? Who is the audience?
- What message will move our audience?
- What vehicles will deliver it best?
- What resources do you have?
- How will we measure our success?

Charlie Shelton asked that Margo prepare a strategic plan and that various committees flesh that out with research to plan and budget. Jerry Douglas said that the Council members should have input on the strategic plan at highest level. He added that the Council should aim for a need-based budget structure. Dan Smith asked for Margo to send out a strategic plan template. Margo was tasked with working with the varying committees to develop a strategic plan which she will present at the next council meeting, along with a suggested budget to match the strategic plan. Jerry Douglas said that timing is an issue, so Margo should mail it a week before the meeting

(BREAK FOR LUNCH- 11:30, RESUME- 11:50)

Charlie Shelton presented an idea to get the most use out of the additional \$500,000 allocated by the legislature. He advocated hiring a person for a 2 year contract for someone to coordinate special events in major cities with restaurants. He said that politicians should be at events. Additionally, he said that tastings should be done in grocery stores. He said that this contractor can hire others to do tastings for \$100 a pop. He inquired as to how to deal with wines that are not represented in a local store. He inquired as to whether Harris Teeter and Lowes Foods would allow tastings of NC wines if they are on the shelf or not; if they sell them for that tasting period as a special circumstance. He then suggested some retailers and wine buyers that might participate:

- HT- Ed Cook
- Kroger- Terry Createro
- Food Lion- Jimmy Faller
- Lowes- Chandra Poston
- Total Wine-
- Independent Wine shops
- Sam's

- Costco

Mark Friszolowski said that there was confusion among retailers about the rules for in-store tastings. He added that the Council should also sponsor trade tastings in conjunction with a theme; make it a show with reason to go with celebrities, wine experts like Barbara Ensrud. He also said that wineries should be able to pour their own wines.

Charlie Shelton made a motion for Margo to seek out a contract employee to execute the plan. Dan Smith seconded the motion, which passed. Willard Hinnant appointed a Wine Challenge committee consisting of Mark, Bill, Charlie and Jerry. Margo suggested that there might be opportunities to partner with the NC Restaurant Association and the NC Retail Merchants Association on the Wine Challenge.

Margo presented the USDA NASS grape harvest survey and agreed to find out about the geographic definition for the survey.

Joe Neely asked how the Council could be more involved at welcome centers. Lynn Minges replied that the Council could sponsor winery familiarization tours for the welcome center managers. Joe suggested that each welcome center should have a NC wine rack with various wine-related brochures.

Margo reported that she was working on updating the brochure for 2008 and that she would probably have to use the in-house graphics department due to time constraints. She also said that the Governor's letter to retailers had been mailed out.

Lynn reminded the Council that the Tourism website is key. She reported that visitnc.com receives 7 million unique visitors per year.

Dan Smith said the muscadine marketing program is important to the Council's mission.

Jerry Douglas inquired if there is a way to pool winery visitor counts. He suggested that the Council create a web survey to do this every year. He also asked about the Council's financial commitment to public relations this year. Lynn Minges said that the Division of Tourism is contributing the same amount as last year: \$25,000. The Council agreed to give \$50,000 instead of \$37,500 since individual wineries are no longer allowed to contribute. Jerry said that while it is good to work on out-of-state journalists, it is also important to focus on in-state PR.

The meeting was adjourned at 1:55 pm.  
Submitted by Margo K. Metzger.