
BusinessWeek

Ideas -- Books

THE VINES THAT BIND

By Spencer E. Ante

784 words

13 August 2007

BusinessWeek

91

Volume 4046

English

(c) 2007 McGraw-Hill, Inc.

THE HOUSE OF MONDAVI

The Rise and Fall of

an American Wine Dynasty

By **Julia Flynn Siler**

Gotham Books; 452pp; \$28

For a storyteller, the sad saga of the Mondavi family is literary gold: a long, twisted tale filled with big egos, beautiful backdrops, and charismatic-yet-flawed characters who pull off towering feats and then throw them all away. In *The House of Mondavi: The Rise and Fall of an American Wine Dynasty*, **Julia Flynn Siler** has crafted from that rich material a fascinating chronicle of an immigrant family's life and times. What's more, the book recounts one of America's most underappreciated achievements: the nation's evolution from a maker of rotgut hooch to one of the world's leading wine producers. More than anyone else, it was the Mondavis who pioneered that spectacular transformation.

Siler, a San Francisco-based reporter for *The Wall Street Journal* (and formerly for *BusinessWeek*), was well-acquainted with the Mondavi story, having covered the company's implosion as a reporter for the newspaper. But this is no clip job. The author has dug deeply into the Mondavis' history, examining tens of thousands of legal and corporate documents and conducting interviews with more than 250 people, including, most importantly, the quarrelsome Mondavi brothers Robert and Peter, and Robert's two warring sons, Michael and Timothy, who took over his business. The result is one of the more memorable recent books on the business of American food and wine.

The story begins in 1906, when Cesare Mondavi left a small village in the heart of Italy and soon moved to the lush Central Valley of California, where he and his wife, Rosa, built a successful fruit-wholesaling business. The Mondavis became pillars of the Lodi community, doing well enough to send their two boys, Robert and Peter, to Stanford University. By this time, older brother Robert was already a "perfectionist who was seldom satisfied with the efforts of family members." He also showed a flair for business. In 1943, Robert persuaded his parents to buy Napa Valley's first winery, Charles Krug. But before Cesare signed the papers, he imposed one condition on his sons: that Robert and Peter work together to build the winemaking business.

For the next 20 years, the brothers kept a lid on sibling rivalry and created a successful winery by leveraging the Krug name. Robert handled sales and marketing, while Peter managed production. But they could never overcome their competitiveness. "Peter felt that Robert got all the credit for Krug's success, while he seemed to get very little recognition for making the wine," writes Siler. One day in 1965, decades of tension came to the fore when Robert slugged Peter in the face after the latter accused him of spending too much money on travel and promotion. The result? The family and the Krug board, composed of family and several prominent outsiders, banished Robert from the business even though the winery had thrived under his tyrannical leadership.

Seeking the ultimate revenge, Robert rounded up \$200,000 in capital and in 1966 launched Robert Mondavi Winery—which raised American winemaking to a new level by combining Old World expertise with New World technology and marketing savvy. Robert's flair for showmanship and ability to recruit promising young winemakers led to quick success.

By the 1970s it was clear the Mondavis were one of the most dysfunctional families in the history of American industry, with the ugliness extending into the next generation. Robert cruelly fomented a bitter rivalry between his two sons, Michael and Timothy. He particularly seemed to enjoy dressing them down in front of company employees, ensuring a lifetime of insecurity. Older brother Michael adopted the role of his father Robert, pushing for sales growth, while Timothy recapitulated that of Robert's abused younger brother, Peter, defending a romantic vision of producing small batches of high-end wine.

Eventually the years of rancor and greed caught up with Robert's side of the family. By 2004, when growing industry competition led to falling profits, the Mondavi board fired Michael and hired bankers to sell or break up the company. Later that year, the Sands family, maker of Wild Irish Rose and other budget wines, bought Mondavi for \$1.35 billion.

The House of Mondavi does not have a perfect finish. At times Siler shows an annoying tendency to overdramatize, and the last third of the book gets bogged down in recounting too many of the family's petty squabbles. But these are minor flaws. If you have any interest in American winemaking, The House of Mondavi will quench your thirst.

Document BW00000020070809e38d0001z