



« HOLSTON'S LEADERSHIP TEAM INCLUDES (l to r) wine sales manager Robbie Mullins; Tom Hairston, president and chairman; Mark Davenport, general sales manager and Tim Griffith, beer sales manager.

The Road to Success

Holston Valley Distributing always goes the extra mile for its customers. By Amanda Baltazar

It's pretty difficult to have your best two years during a recession, but that's what the Abingdon, Va.-based Holston Valley Distributing Co. did in 2008 and 2009.

Chairman and president Tom Hairston credits this success to hard work and knowledge. The knowledge comes from his years in the business—he's worked in this, the company his father established, since the late 1970s—and also from the excellent people he hires, who know what they're doing and work hard at it.

Holston Valley does \$12 million annually in sales of beer (about 63 percent of the business), wine (about 35 percent)

and soft drinks (2 to 4 percent).

A priority for Hairston is hiring employees who can sell well and he has a staff dedicated to just that, rather than having drivers who also sell. In fact, Holston Valley is the only distributor in its market that's pre-sold, Hairston says.

But it also is about hiring good people, Hairston explains. "The largest mistake people make in business is trying to hire the most inexpensive people you can," he says. "And trying to manage them from the top down is a recipe for disaster. Hire motivated people and put them in an environment that gives them incentive—lots of carrots—and just watch them do

it. But you have to pay for that." The company currently has 35 employees, he says.

Holston Valley Distributing also helps its customers—the retailers and the restaurants—by being knowledgeable about the products it distributes. Hairston himself is a wine aficionado, and says he always tried to stay ahead of wine trends. This is probably what helped the company grow its wine business by double digits in 2008 and 2009.

"We got a reputation for anticipating those things," says Hairston. "So the restaurant business turned to us to help them design their wine list and to start their business, and the same is true with grocery stores."

Holston Valley carries a variety of wines, from the value bottles to the high-end, and Hairston points out that even though inventory turnover on the latter isn't great, the margins are incredible "and they are wonderful contributors to profit."

But it's not just wine that's doing well, beer has always been the mainstay of Holston Valley's business and was the bulk of business for Rufus Thomas Hairston when he started the company in 1946. He enjoyed success right out of the gate with Carling Black Label in the 1950s, then Pabst Blue Ribbon, which Hairston says "kept body and soul together in the 1970s. The company started distributing Coors in the 1980s and is still riding that wave. Coors Light is now the biggest seller in terms of volume, followed by Keystone Light.

Like any business, Holston Valley continues to have challenges. One is the ever-constant threat of consolidation in the business, which Hairston describes as "the 800-pound gorilla in everyone's room." Businesses are going to have to decide whether to buy or be sold, he

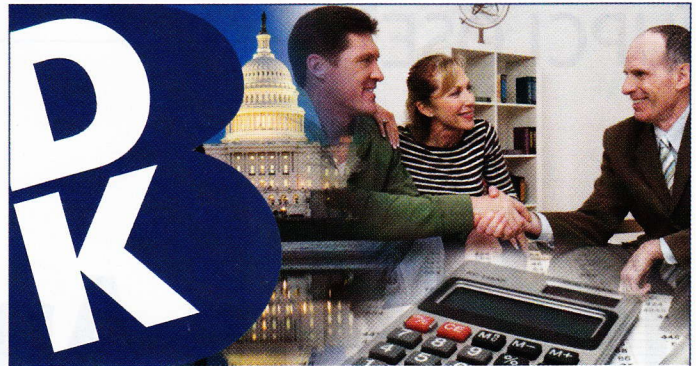
says, but he's not planning on either right now.

The other issue is one of semantics. Companies such as Holston Valley are known as wholesalers, but they should be known as distributors, says Hairston. "With wholesaling you get the idea of big volumes and people coming in and getting discounts because we have volumes, but we're not. We are added value and we have to think of ourselves that way or you can't exist. You have to perform services for retailers and suppliers. We add value to the product," he explains. **BW**

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