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Wine Management Systems Takes to the Cloud

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by Dan Burger

The wine industry just might be ripe for cloud computing. Patrick Oates, CEO of [Wine Management Systems](#) is sure of it. He sees on-line hosted applications as the perfect solution for small to mid size wine producers struggling to get a better grip on the data that goes along with such things as vineyard and grower management, production and bottling, inventory and allocations, regulatory compliance issues, point of sale, and all the related financial ties.

In Oates' view, wine makers just want to make wine. His plan is to help them do just that by eliminating, or greatly diminishing, the need for sizeable up-front investments in IT hardware and software, the staff to operate and maintain it, and the related resources that are diverted from the business goal of marketing and selling wine. Rather than a hodge-podge of manual and automated methods to manage the operation, Wine Management Systems is offering technology well beyond what the small wine producers could afford to assemble on their own, along with a monthly service charge that keeps a lid on costs and complexity.

WMS is the first company to offer software as a service (SaaS) to the wine industry. The question is whether the wine industry is ready for SaaS.

Outsourcing IT is really no different than outsourcing the production, the bottling, and the warehousing of wine, which, Oates says, is a developing trend for many of the small to mid size companies. It's known as custom crushing, and it's a way side step the high costs of construction, infrastructure, and staffing.

"When you go to a winery conference now, the custom crush model is what people are talking about," Oates says.

"This is like outsourcing IT." The point is, the idea of outsourcing is not new or different or thinking outside the box. If the wine industry is willing to consider custom crushing, it will equally consider SaaS.

Rather than owning the processing equipment and the building that houses it, companies are willing to pay another company to use their facilities. Likewise, as Oates explains, companies that contract with Wine Management Systems will no longer pay for owning software--they will pay to use it. "Our customers can lease per user, at a price that is reasonable," he says.

Customers will be able to access the Wine Management Systems portal through a secure Web site that allows them to track their wine production processes for as many different varieties of wines that they are producing. Each would have its own unique set of data relating to vineyard management, lot tracking, laboratory analyses, government regulation, market distribution, customer tracking, and many other details.

Wine Management Systems, like any reputable company delivering online applications, also takes care of software upgrades and compatibility issues as part of the established monthly fee. It synchronizes all financial information to QuickBooks, "the preferred accounting software for wineries producing less than 30,000 cases a year," Oates says. QuickBooks has been a WMS business partner since



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2007.

In case you were wondering, the software package is written in Java and WebSphere. It runs in a data center managed by [DPS](#) (Data Processing Services), an Indianapolis-based [IBM](#) business partner with more than three decades of experience in the AS/400, System/38, and System/36 markets. DPS was contracted to do the initial programming on the Wine Management Systems applications.

Turn back the clock to the 1980s and Patrick Oates worked at DPS before he became CIO at Portal Publications, a greeting card and poster company located in Northern California that relied on DPS distribution software. During his 23 years at Portal Publications, Oates was a member of the local AS/400 user group and he made friends with people at wineries and wine software companies. Many of the mid size and larger wine producers are AS/400 shops. Those connections led to the plan for an Internet-based software package created for small wineries and brought DPS into the planning stages.

DPS has two Power Systems 520 boxes for WMS customers. One runs the IBM i 6.1 operating system. The other runs i5/OS V5R4. The DB2 for i database collects all the data.

Oates and DPS President Dan Barrow had no doubts about creating this software in Java and running it on the IBM i. The reasons are familiar to anyone who knows something about the AS/400--reliability, scalability, security, and a proven track record with technologies such as server virtualization, which plays an important role in servicing numerous accounts in a cloud environment.

Nicholson Ranch, a small, family-run winery in Sonoma Valley, California, is a Wine Management Systems customer that found the software as a service model to be a great fit. Like many wineries in the small to mid size niche, it was getting by with handwritten records and Excel spreadsheets. In addition to being highly labor

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intensive, inadequate data collection resulted in unsolved business problems such as inventory control and accurate and repeatable business processes crucial to complying with regulatory mandates and IRS formulas for tax deductions on items such as wine inventory depreciation.

The Wine Management Systems' Web site posts [a case study featuring Nicholson Ranch](#), a Sonoma Valley, California, winery, as well as [a case study highlighting Vint Hill Craft Winery](#) in Virginia, a business that caters to individuals, wine shops, and restaurants that want to craft their own wines in small batches.

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