

The Walla Walla Community College Center for Enology and Viticulture: Building a competitive advantage of place

By Nicholas Velluzzi, Doctoral Candidate, Department of Geography, University of Washington and Walla Walla Community College Wine Cluster Economic Development

Study

Introduction

The purpose of this report is to examine the role of the Walla Walla Community College Center for Enology and Viticulture (the Center) in building cluster-specific skills and promoting the economic development of the local wine industry. Walla Walla serves an optimal site for enology and viticulture training due to its close proximity to approximately 100 commercial wineries and over 1,500 planted vineyard acres. The Center was established in 2001 and demonstrates how the Walla Walla Community College was able to respond to a rapidly changing regional economy. The overarching goal of the Center is to cultivate human capital through the provision of vocational education and training. For the purpose of this report, human capital accounts for the sources of formal and informal skill acquisition and learning that occur in and outside of the classroom, which recognizes that learning takes place in a variety of contexts and is not limited to formalized training routines (Hager 2004). The Center offers a two-year course of study that culminates in an Associate of Arts degree in Enology and Viticulture. Individuals can also choose a truncated one-year course of study and earn a certificate in either enology (fermentation) or viticulture.

Methodology and data

The data for this analysis derives from approximately 60 interviews carried out in January and February 2007 with local producers and former and almost-graduated Enology and Viticulture students. The interviews were designed to assess the effectiveness of the Enology and Viticulture program. For example, we sought to understand whether the type of knowledge and skills students acquire satisfy the needs of producers, what the program does well, and where there may be opportunities for improvement. Additional insights informing this report derive from the author's participation in a series of meetings and ongoing conversations with the WWCC Executive Leadership, Center for Enology and Viticulture faculty and staff, and Advisory Council members regarding the past, present, and future direction of the Center.

Vocational education and training

The degree and certificate programs offered by the Center combine a mix of conventional classroom training and experiential learning. Classroom training provides students with a foundation of enology and viticulture knowledge. Experiential learning provides a real-life, informal mode of acquiring skills that are context-specific, not easily communicated in a classroom setting, and best learnt through doing. Local industry support for vocational education and training enables experiential learning to form a central part of the curriculum.

All of those who participated in this study – students and producers alike – stressed the value of hands-on training and consider it one of the key strengths of the program. Experiential learning enables students to interact with a variety of local producers and gain broad exposure to different approaches to the work. This is important because students come to understand that there are a number of ways to carry out the same task. Local producers benefit by gaining access to readily available labor. They also reduce their labor market search costs through screening potential employees and new entrants into the local labor market.

Students can also gain experience working at College Cellars, the commercial teaching winery on the WWCC campus. This is important because most students do not obtain production jobs in the industry that would expose them to all of the steps in manufacturing wine. Producing a vintage at College Cellars exposes students to the entire process of making wine. College Cellars is unique because it is the only commercial teaching winery operating in the United States.

Attracting talent and fostering entrepreneurialism

Key points

- **The market area for the Center for Enology and Viticulture extends across the United States and internationally**
- **Individuals choose to locate in Walla Walla over other wine producing regions in the United States because of comparatively low barriers to entry**
- **An increasing share of Walla Walla Valley wineries are operated by Enology and Viticulture alumni**

The specialized nature of the Enology and Viticulture program functions as a ‘pole of attraction’ (Scott 2006) that draws individuals from outside the region into Walla Walla for the purpose of acquiring skills training and pursuing a career in the local wine industry. Although many students are local, the program has earned an international reputation that has expanded its geographical reach. According to Walla Walla Community College data, inquiries of interest have come from individuals located all over the United States and some European countries. Using the United States Census Bureau regional divisions, Table 1 shows the geographic distribution of inquiries of interest. Of the 99 inquiries from the Pacific West region, 74 or 48.7% originate from Washington State.

Sixteen, or 72%, of students interviewed, are identified as newcomers, having migrated into Walla Walla for the purpose of enrolling in the Enology and Viticulture program. The average age of Enology and Viticulture students is 35 years. Many of those students have undertaken an early- or mid-career shift, and have been employed in a diversity of occupations such as health care, civil engineering, high technology, and eco-tourism. Enology and Viticulture alumni/newcomers that are operating their own wineries stated that they chose to come to Walla Walla (and Washington State) because the barriers to enter the Washington State wine industry are considerably lower than in California. Five Star Cellars, Couvillon, Ensemble Cellars, Trio Vintners, and Tertulia Cellars are a few Walla Walla wineries founded by Center for Enology and Viticulture alumni.

Table 1: Regional Origin of Program Inquiries

Regional Divisions	Number of Inquiries	Share of Total Inquiries
Pacific West	99	63.46%
Mountain West	22	14.10%
East South Central	11	7.05%
West South Central	6	3.85%
Middle Atlantic	5	3.21%
International	5	3.21%
West North Central	4	2.56%
South Atlantic	4	2.56%

Total 156 100.00%

Source: Walla Walla Community College Institute for Enology and Viticulture

Building Social Networks

Key points

- **The Center maintains high frequency of formal and informal interaction with local wineries and vineyards**
- **Labor market information pertaining to employment opportunities operates on a word-of-mouth basis**

Social networks are a key organizational feature of the Walla Walla wine cluster. Although the transaction linkages among producers are limited primarily to the sale and purchase of wine grapes, producers are linked through association, which facilitates the horizontal transfer of knowledge and information within the cluster.

For the purpose of this section, I have divided the wine cluster into two groups, those who sit on the Center's Advisory Board and local producers. The Advisory Board consists of representatives from the region's wineries, many of whom have extensive experience in the industry. The Advisory Board represents the partnership between the Center and the wine cluster, and serves as the vehicle through which the industry can systematically evaluate and submit feedback regarding the efficacy of the Enology and Viticulture program. The Board keeps the Center aware of developments (such as technologies, techniques, and market trends) in the industry so that curriculum can be adjusted to ensure students are taught current methods and techniques. Through interactions of this kind, the industry helps shape the planning and strategic direction of the Center in the interest of enhancing the overall competitiveness of the cluster. The Center's faculty and staff maintain a high frequency of interaction with local wineries and vineyards. Their interactions foster trust and establish an environment of mutual support. For example, wineries and vineyards support the Center by maintaining internship opportunities for students and allocating a percentage of grapes harvested to College Cellars.

An overwhelming majority of students enter the industry through their affiliation with the Center. By enrolling in the Enology and Viticulture program, students gain access to labor market information about job openings and short-term work opportunities from faculty, who are in close contact with local producers. In this respect, the Center functions as a labor market information clearinghouse. Job openings are rarely posted in local classifieds or on internet job boards, but are announced informally by word-of mouth, which suggests the importance of social networks and the highly localized nature of the circulation of labor market information. This is especially important for students who are newcomers to the region and lack the social resources that are essential to acquiring local labor market information. In this regard, the Center functions as an institutional portal through which newcomers enter the industry and establish interpersonal ties with local producers and industry workers.

Providing soft infrastructure

Key points

- **By providing continuing education opportunities, the Center plays a key role in building the stock of local competences among local**

producers

□ The Center enhances the visibility of the Walla Walla Valley and Washington State wine industries

In addition to the provision of vocational training and education, the Center offers a variety of continuing education opportunities for local producers. These opportunities include but are not limited to marketing workshops, sensory evaluation, public relations, and regulatory compliance, which are designed to increase the stock of local competences. The provision of these services is extremely important because the Walla Walla wine cluster is comprised of small firms that have limited resources. By having a cluster orientation the Center achieves economies of scale and producers realize collective efficiencies.

The Center increases the visibility of the Walla Walla Valley and Washington State wine industries. By investing in cluster-specific competences, the Walla Walla Community College and Washington State send a clear message to other wine producing regions and consumer markets that it takes the economic development of the wine industry seriously. This message is compounded by the reputation of quality that Walla Walla and Washington State wines have and continue to earn in the market place. The effect is cumulative and increases the legitimacy of Walla Walla and Washington State as an optimal site for winegrowing.

Program Direction Recommendations

The following section identifies areas where the Enology and Viticulture program could improve or expand its current operations and strategy. It is organized according to scale: The Center, the region, and the non-local (external to Washington State).

The Center

- Integrate training pertaining to winery management and operations within the Enology and Viticulture program**
- Increase the amount of lab training**
- Provide more viticulture-specific agricultural courses**
- Align the fall quarter with industry labor requirements during crush**

Based on the interview data, there is a need to provide more in-depth training on winery management and business operations. The vast majority of wineries in the Walla Walla wine cluster are identified as 'boutique' wineries that have a limited production volume and output. The interview data also suggests that wineries begin adding labor between an output level of 2,000 to 5,000 cases. Notwithstanding the contingent or seasonal labor requirements wineries (and vineyards) experience during crush, the majority of jobs created by increased output levels are in sales, marketing, and business administration.

Although courses such as regulatory compliance and wine marketing are already offered by the Center through the continuing education program, this training ought to be integrated as a module within the Enology and Viticulture curriculum. Integrating this type of training into the curriculum will increase the employability of students, and build capacity among those students whose plans include owning and operating a winery. The module can be modeled after other vocational/professional programs, such as culinary, where chefs or kitchen managers-to-be are assigned to cost out the fixed, variable, and operating costs of opening a restaurant.

Both employers and students expressed frustration regarding the tension

surrounding students' schedules and employers' needs during fall harvest. Harvest, or crush, is the busiest and most critical time of year in the industry. It is also a time when labor demand temporarily spikes in the winery. During crush, winery employees can anticipate working at least 12 hours a day. Students and local producers communicated that working crush is formative in one's training, and ought to be approached in a way that disencumbers students from other course-related responsibilities. An overwhelming majority of students and producers suggested that the fall quarter ought to be synchronized with seasonal demands of harvest.

The interview data revealed students' desire for more lab training and more applicable agricultural courses. A number of interviewees also expressed desire for an articulated degree between the AA in Enology and Viticulture and a four-year program in Washington State.

The Region (Walla Walla and Washington State)

□ Continue to build local and regional competences by offering continuing education opportunities

□ Develop courses and training opportunities that exploit the relationship between wine production and wine tourism

The Center ought to continue to build local capacity by offering continuing education opportunities that are defined in cooperation with wine industry representatives. This topic was addressed in detail in the report *Walla Walla Valley Winery Marketing Needs* and will not be explored here.

This research revealed that positive externalities are generated by the Center and captured by local tourism establishments. For example, many students find employment as servers at "The Marc" at the Marcus Whitman Hotel in downtown Walla Walla, illustrating a point of convergence between wine production and the hospitality sector. This convergence presents an opportunity to expand the scope of operations at WWCC in a way that capitalizes on bridging food and wine. Such a program could complement the already existing Enology and Viticulture and Culinary Arts programs. It could also offer training opportunities to Walla Walla residents who may seek employment in the growing tourism sector, as well as build the capacity of incumbent workers employed at local establishments. In this regard, WWCC may consider working in close partnership with representatives from local establishments to design and offer training opportunities in food and wine hospitality. Certainly, this could culminate in sommelier certification; however it could begin with seminars or workshops on topics such as sensory evaluation, creating wine lists for restaurants, and food and wine pairing.

Non-local (outside Washington State)

□ Develop relationships with training institutions and producers located outside of the Walla Walla Valley and Washington State

The Center ought to expand the geographic extent of its interaction from Walla Walla and Washington State to other wine regions in the U.S. and abroad. Establishing extra-local linkages with training institutions and producers in other places can facilitate a flow of knowledge exchange between the Walla Walla Valley and those places. Because much of the knowledge required to produce high quality wine is not standardized, face-to-face interaction is an important component of knowledge exchange and learning.

Extra-local relations can be valuable because they can fuel innovation and benefit the cluster while inhibiting ossification that results from geographic and social isolation. Establishing network relations outside the region effectively extends the reach of local networks, even though not all producers may directly participate in those interactions (Granovetter 1985). Although many local actors may not participate in those extra-local networks, they will benefit indirectly because the knowledge and information acquired through those network relations becomes integrated into the local ecology of knowledge sharing within the cluster.

While implementing such a strategy is resource intensive, the benefits for the Center, the Walla Walla Valley AVA, and Washington State can be substantial and generate increasing returns over time. The modes of interaction can take many forms, such as student exchange opportunities, hosting visiting faculty, hosting conferences, and coordinating research trips to other regions. Long Shadows Vintners' innovative organizational structure, where partnerships with top winemakers from all over the world produce Washington State vintages in the Walla Walla Valley, represents a variation of this strategy. The difference between the network relations established by Long Shadows and those generated by the Center is that the Center is an open access public institution whose purpose is to promote local economic and workforce development, thus it is in the business of generating public goods for public consumption.

The advantages of establishing extra-local network relations can be reduced to this: Increasing the level of interaction between Walla Walla and other parts of the wine producing world creates opportunities to increase the capacity of local producers and increase the competitiveness of the wine cluster over the long-haul. A corollary benefit of those relations can facilitate the promotion of the Walla Walla and Washington State wine industry, generate new product markets, and attract investment.

Recommendations and summary

The analysis presented in this report demonstrates how the Center builds workforce competences, fosters entrepreneurialism, and contributes to enhancing the strategic advantage of the Walla Walla wine cluster. These capabilities are an outcome of the organizational capacity of the WWCC and Center staff combined with tight-knit interaction with wine cluster producers. This report also outlines a series of recommendations that the WWCC executive leadership, Center faculty and staff, and the Advisory Board may consider in planning the future direction of the Center and related projects. These recommendations, along with general lessons derived from this research are summarized below:

□ **Continue to maintain formal and informal relationships with industry leaders and local producers.** The Advisory Board and the Walla Walla Valley Wine Alliance are examples of formal relationships, which permit feedback to flow from producers to the Center. Informal relationships are maintained through the everyday exchange of information between local producers and WWCC representatives.

□ **Continue to maintain frequent interaction with local producers.** Interaction can build trust among actors, which facilitates the flow of information between the Center and producers.

□ **Continuing field visits** are important for faculty to keep abreast of what's happening with specific firms, and learn about changes taking place in the industry.

- Continue to develop **continuing education opportunities** for local producers.
- Dedicate resources to **develop curriculum around winery start-up, operations, and management**. This is based on two points. First, a majority of the job growth in the local cluster is in operations and management. Second, it recognizes that the Walla Walla wine cluster was founded and continues to be built upon entrepreneurialism. In essence, the Enology and Viticulture curriculum is entrepreneurial. Through teaching individuals the art and techniques of growing grapes and making wine in an environment of small firms encourages students to “follow the leader”. Therefore, specifically tailored training on winery operations would round-out the enology and viticulture curriculum.

- Dedicate resources to expand the Center’s scale of **spatial interaction** by establishing **non-local relations** with producers and training entities in other wine producing regions. Establishing relationships with other wine producing regions will inject fresh knowledge into the cluster, which fosters innovation and decreases the chance of institutional lock-in that can result from spatial isolation.

Bibliography

- Granovetter, Mark. 1985. Economic action and social structure: the problem of embeddedness. *American Journal of Sociology* 91 (3):481-510.
- Hager, Paul. 2004. The competence affair, or why vocational education and training urgently needs a new understanding of learning. *Journal of Vocational Education and Training* 56 (3):409-433.
- Scott, Allen J. 2006. *Geography and Economy: Three Lectures*. New York: Oxford University Press.