A BUSINESS BUILT ON BOOZE

Magnolia Marketing
Ranked #19
BY DAVID KURTZ

Name: Magnolia Marketing of Lafayette Inc.
Rank: 19
1993 Revenue: $150,000,000
Number of Employees: 119
Type of Business: Wholesale Liqueur Distributor

On Dec. 5, 1933, Prohibition was repealed, and Forrest K. Dowey entered the whiskey business. Sixty years later, Dowey is chairman of the board of Magnolia Marketing of Lafayette Inc., a company which, by its own admission, earned 73 percent of the liquor and 75 percent of the wine business in a 73-parish area that includes Lafayette, Alexandria and Lake Charles. "It's been good to us," says Dowey. "But it took a lot of hard work and dedicated people."

Dowey got his start working for a wholesale house in New Orleans. After a couple of years, he went to work for Seagram's Distillers as a travel manager, showing wholesale distributors how to present Seagram's V.O. During the war, while serving aboard an Army transport ship, Dowey said he did some stowing. "I used to put crates of whiskey in one piece, instead of sitting there wondering how to dock, 73 dollars in cargo." Dowey began Magnolia Marketing (Magnolia Liqueur took dead) in 1966 with eight employees, three trucks and the exclusive Seagram's franchise for this area. Today, Magnolia Marketing employees 119 people, owns 20 trucks and still carries Seagram's, in addition to beer, wines, juices and mineral waters. "Prior to my opening in 1966, prior to that, during the war, Seagram's franchise was serviced by Magnolia-Paw Orleans," says Dowey. "When the war ended, there was a need for a wholesaler in Lafayette. I was well-situated to service in Lafayette."

"It was proof to be a good decision. In its first year in business, Magnolia grossed near $1 million, and Dowey was able to pay off all the company's debts. "You know, we never, in 1966, Lafayette had under 20,000 people. We almost have that enrollment in LSU," boasts Dowey. "The wholesale business was growing. It has been growing ever since."

Dowey has found that growing to expand Magnolia's product lines and to add distributors. Thus, in the early 1970s, Dowey split Magnolia's weight in half and created Relafire Liqueur Co. "We were the first wholesaler in the United States to open a second branch under the same roof, as far as I know," says Dowey. By splitting the company, Dowey eliminated the problem of one season being responsible for competing brands of liquor. By adding a second sales force and getting it about half of Magnolia's branch, Dowey was able to increase sales without substantially increasing overhead. The same warehouse, offices and, except for new logos, the same trucks were used as before. Sales increased 20 percent the very first year.

Today, things are going well for Magnolia Marketing. Last year, the same change two years ago was made to infuse Magnolia's wide range of products.

"We're in pretty good financial shape," says Dowey. Next month, the company will add Absolut Vodka to its inventory, and Dowey expects other changes in the year ahead, though he declines to be specific. "We anticipate we will be allowed to franchise for several other companies," allows Dowey. After all, why not compete?