

Exclusive: Deutsch Family Names Veteran Sports Exec Mike Dee As President

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Deutsch Family Wine & Spirits has a five-decade legacy in wine and spirits, finishing 2024 with revenue above \$1 billion on volume of 14 million 9-liter cases. Propelled by nearly 7-million-case juggernaut Josh Cellars, the family-owned company led by chairman Bill Deutsch and his son CEO Peter Deutsch has bucked the challenging market to continue posting growth in recent years.

Effective on Monday, Deutsch Family will welcome veteran sports executive Mike Dee as president, replacing Tom Steffanci. Dee has served as CEO of both the Miami Dolphins and San Diego Padres, among other leadership roles across his 40-year career. Deutsch believes Dee's sports background offers new perspectives on connecting with consumers as it looks to continue building its portfolio for the future. SND executive editor Daniel Marsteller spoke with Dee and Peter Deutsch to get their insights on the road ahead.

SND: Mike, can you speak a bit about your background and the experience you bring to Deutsch Family?

Dee: I go back 40-plus years with Bill and Peter Deutsch. Peter and I played basketball together at Franklin & Marshall College, and some of my first images of Bill were of him standing courtside videotaping games back in the eighties.

I had a front row seat for the creation and evolution of Deutsch Family Wine & Spirits. So while I've never been formally a part of it, I feel like I have been by extension, from the early days of Beaujolais Nouveau to the wonderful portfolio that we have today. It's been an amazing journey to watch. My career has been a similar journey of new opportunities and growth, mostly in professional sports starting in the mid-nineties with the San Diego Padres, then the Boston Red Sox, Miami Dolphins, then back to the San Diego Padres for a second stint.

That experience has given me an understanding of how to work with family-owned businesses. Sports teams are on the front page of the paper, so people have an impression that they're this big corporate environment, but most sports teams and certainly the ones that I was affiliated with were owned by families with family members working in the organization. So I have a pretty good sense as to that dynamic, and being able to watch what Bill and Peter have built over the 40-year period made this a highly desirable opportunity for me to be able to contribute at this stage of the company's development.

SND: Peter, what advantages do you see in leveraging Mike's experience outside the drinks industry to unlock further growth?

Deutsch: As Mike mentioned, my dad and I have been working over the last 40 years to build the most professionally run company in the industry. We now see an industry that's going through some major challenges, probably as complex as we've seen over the last four decades. Coming from the sports industry, Mike is going to bring a completely fresh perspective, whether it's understanding consumer behavior outside of the industry and how that can translate to inside the industry or even potentially new or different ways of innovating operational efficiencies or identifying untapped market opportunities or unmet consumer needs.

Mike also brings a diverse background as a catalyst for unlocking growth in areas that perhaps we may not have explored before. And in an industry with headwinds, I think it's that kind of innovation and bold thinking that will keep us ahead in a competitive market. The opportunity to leverage Mike's background and outside the box approach becomes a real complement to our company's deep industry knowledge, which I think then creates a winning balance of tradition and innovation.

SND: Mike, what excites you about the Deutsch portfolio and the opportunities in front of it?

Dee: I've been a Deutsch brand enthusiast for all of my all life, both as an avid wine enthusiast and drinker, and also the spirits brands—I particularly enjoy a good Gray Whale gin and soda. When there are headwinds, there are always corresponding opportunities. The strongest and the most committed and passionate survive and thrive.

Coming from outside the industry, I come with humility, knowing what I don't know, but I also come with 40-plus years of professional experience in organizations that have been highly focused on revenue growth, highly focused on culture. I'm joining a team that is already best in class in the industry. If history is any precedent to the future, there'll be new opportunities and new ways to drive our existing brands, perhaps new brands as well.

We'll have more with Peter Deutsch and Mike Dee on the direction of the Deutsch portfolio in the second part of this interview.

Deutsch Family Wine & Spirits—Leading Brands in the U.S. (thousands of 9-liter case depletions)				
Brand	Origin/Type	2023	2024E	Percent Change ¹
Wine:				
Josh Cellars ²	California	5,504	6,104	10.9%
Yellow Tail ³	Australia	5,605	5,380	-4.0%
Josh Cellars Reserve	California	450	486	8.0%
The Crossings	New Zealand	123	140	13.9%
Barone Fini	Italy	115	115	0.1%
The Calling	California	37	44	18.1%

Monday, January 27, 2025

Exclusive Interview, Part 2: Deutsch Family CEO Peter Deutsch And President Mike Dee

In the second part of [our interview](#), Deutsch Family Wine & Spirits CEO Peter Deutsch and incoming president Mike Dee—who succeeds Tom Steffanci in the role on April 1—discuss how the company will address current industry challenges to drive its portfolio over the coming year, as well as its stance on potential M&A activity moving forward.

SND: Peter, you've noted that part of Mike's track record is leading complex deals during his time in the sports industry. Do you see M&A being a key part of Deutsch's future?

Deutsch: My dad (chairman Bill Deutsch) and I have been very disciplined about making sure that we do the right deals where possible. I can't tell you the amount of brands and opportunities that we have passed on. Today we have a very concentrated portfolio. The first area that Mike is going to lead in terms of our growth is within our existing brands. Over the past 10 years or so, we've made some very important acquisitions in the spirits business. Whether it's Redemption or Bib & Tucker whiskies, Gray Whale gin, or Cantera Negra Tequila, our first and highest priority is to maximize the opportunity for those spirit brands. We think there is tremendous upside on each of them. That's going to be the major focus at the outset, as well as obviously continuing to drive our wine portfolio, which is outperforming in an industry that is under a bit of pressure.

Now, of course, we're always going to look at new opportunities. Mike will bring a fresh perspective where we see something that could be strategic and correct for the organization. We certainly won't hesitate if we find something that's the right fit. We think that Deutsch Family Wine & Spirits is uniquely positioned to partner with other family-owned businesses, and we've got a pretty good track record with that with brands like Gray Whale and Cantera Negra, and also The Calling—my partnership with sports broadcaster Jim Nantz. So we'll keep our eyes open.

SND: The landscape for wine and spirits has been challenging. How does Deutsch plan to attack the market over the coming year and drive further growth for Josh Cellars and other brands?

Deutsch: Despite the wine and spirits industry seeing decline over the past couple of years, we continue to buck trends and drive growth for our key brands, including Josh, The Crossings from New Zealand, and even Yellow Tail. Last January, the Josh Cellars brand went viral online, which gave us a chance to explore a more playful and lighthearted tone on our own channels with our targeted consumer. In addition, we continue to innovate, and earlier this month we introduced a few test markets with Josh Cellars Non-Alcoholic Sparkling, tapping into the low-abv and non-alcoholic category. We've seen growth of nearly 50% in that category as millennials and other consumers increasingly seek alternatives for occasions like Dry January and beyond.

On Yellow Tail, we've launched Honest Labels, a limited edition series of easy to understand labels on Pinot Grigio, Sauvignon Blanc, Moscato, and Cabernet, which are meant to make wine more enjoyable and fun. We've innovated with Yellow Tail Pure Bright in the better-for-you segment. On the spirits side with Redemption, Bib & Tucker, Gray Whale, and Cantera Negra, we've been focused on creating exciting new digital campaigns and more brand storytelling through influencers and partnerships like the one that Bib & Tucker's done with Big Green Egg grills. As a result of that partnership, we're able to offer something unique to retailers and attract BBQ enthusiasts to the brand. So we're thinking outside the box, adjusting to the environment, and finding creative ways to drive our diverse portfolio in a challenging environment.

Dee: The only thing I would add is the attention to detail that I've observed in my time leading up to my official start date on all the things that Peter just articulated is very impressive. This is a business that is driven by consumer interest, and Peter can attest that he's gotten a few phone calls from me long before this idea was on the table, as I was standing in my local Publix trying to convince a consumer to try a bottle of Josh or The Calling as opposed to something else. I think understanding the business from a consumer need perspective and then figuring out how to get the best products on the shelves is what has made this company great. The organization behind it that Bill and Peter have built is the difference maker for us.