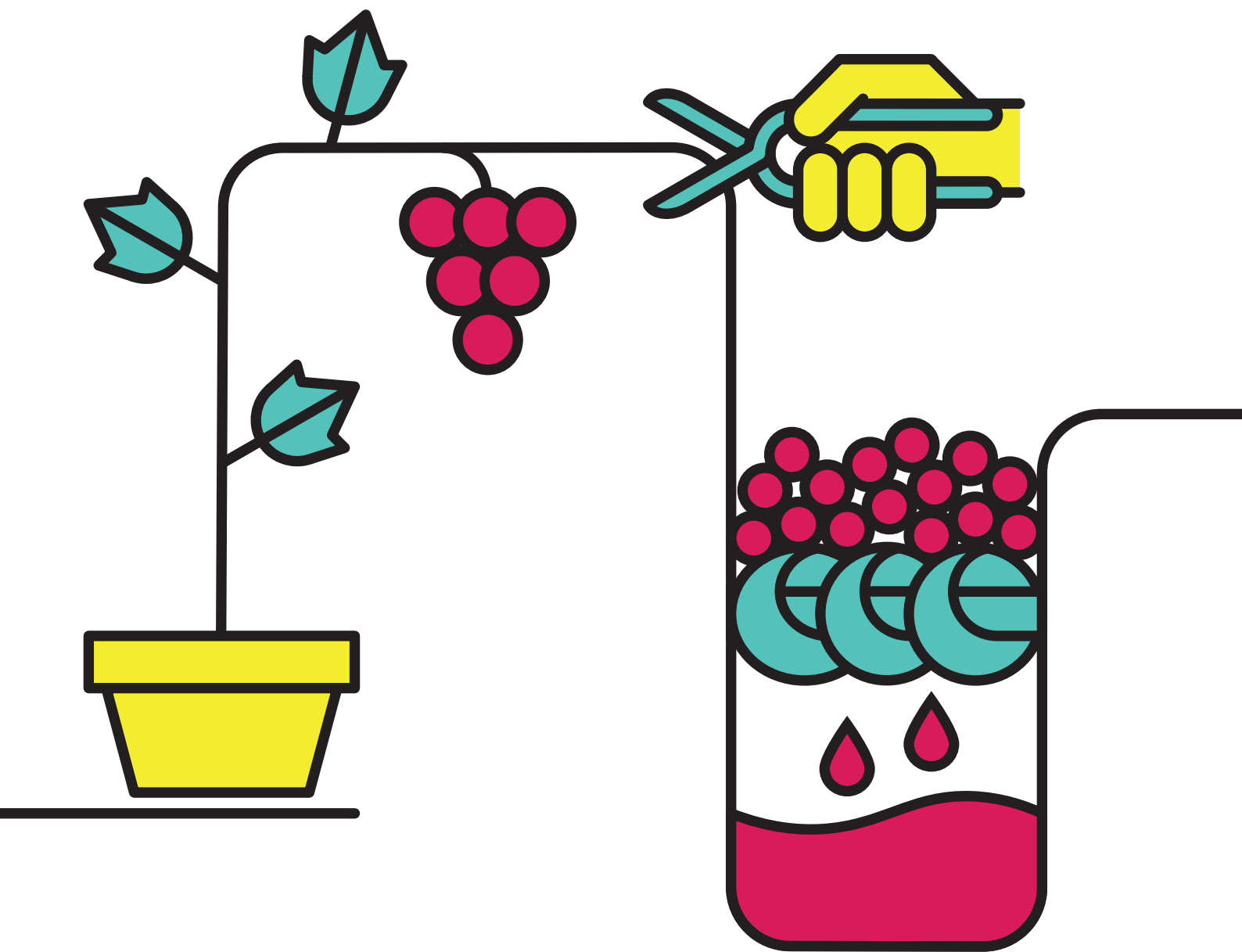


# THOUGHT LEADERSHIP

Volume 1

FUTURE LEADERS	20 17
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**B.NXT**  

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The Future Leaders program is very well named.

When the initiative was launched a decade ago, the idea was to provide a framework within which a new generation of wine sector people could learn new skills, refine existing ones, develop networks and different ways of thinking, and form a nucleus of knowledge and enthusiasm to take the sector forward, in good times and bad.

And that is just what has happened. There were some 90 graduates from the first six intakes of the program, and today you will find many of them making a major contribution to the future direction of the sector – in their own companies, on industry associations and committees, in boardrooms and political circles, and anywhere that ideas are being debated and commitment is required.

For the seventh intake in 2017, things evolved in three ways.

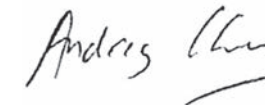
First, we appointed a new program provider whose name – Pragmatic Thinking – very much reflects where we want things to head. There is a strong focus on thought leadership.

Second, we have put even greater effort into creating a genuine FL Alumni and connecting them with this year's participants – in person and online. It has been a very rewarding process for all concerned.

Third, we threw our 16 new participants in at the deep end, asking them (OK, requiring them) to put some thoughts on paper even before the program had been completed. You're holding the results.

Each selected their own topics, based on what they see as pressing issues for the Australian wine sector. We hope you'll find them all a good read.

The Future Leaders program has been funded, coordinated and supported since its inception by Wine Australia, the Winemakers' Federation of Australia and Australian Vignerons. We are all pretty pleased with our decision.



Andreas Clark  
*Chief Executive Officer*  
*Wine Australia*



Tony Battaglione  
*Chief Executive*  
*Winemakers' Federation of Australia*



Andrew Weeks  
*Executive Director*  
*Australian Vignerons*

When you think about it, there is something almost wondrous about seeing a new shoot make its way up and out of the soil. It's a sign of life; confirmation that conditions are right. The soil is rich, there has been rain, and the seed itself is ready to push forward.

You are holding in your hands such a new shoot. Sixteen individual pieces of Thought Leadership representing all areas of the Wine Industry. It's something to marvel in.

Our brief when framing the writing of these pieces was very specific. Find your voice. Talk to what you know. What is it you've learned in your time in the industry? What's your contribution?

Identities have been explored, worthiness questioned and confirmed, voices have been found and the industry now holds what each of these leaders see as valuable contributions required for deeper conversation and exploration.

There's power in these types of conversation-starters. Our collective consciousness of what it takes to progress all areas of the industry is arguably as valuable as good rainfall, a new piece of technology or the discovery of a new methodology.

What got us here, is unlikely to get us where we need to be; the more we enter that conversation —the deeper we go— the better we'll future-proof ourselves.

What's unique about this book, is it's a reflection of this years alumni. They are diverse. They come from all over the industry. They are intelligent, practical, connected and brimming with enthusiasm.

So too is this book.

From the perspective of Pragmatic Thinking, we can not endorse more highly the potential that lies in the Wine Future Leaders 2017 alumni. They are all generous humans, focussed on the bigger picture, and not just themselves. They've been ready to turn up, be present, contribute and collaborate through the whole process. They've been a delight to guide through the challenging growth process that is Future Leaders 2017.

If this is the future of the Australian Wine Industry — it's in very good hands.

Ali, Daz & Bec  
P.T. Team.



# WINE FUTURE LEADERS 2017



Paula  
Edwards

Paula Edwards is a viticulturist with over 27 years' experience in the Australian wine industry. She has worked for producers of all sizes in some of Australia's best wine regions, including Clare Valley, McLaren Vale, Adelaide Hills and Coonawarra, and has a deep understanding of grape and wine production on both large and small scale.

Her experience extends to marketing of grapes and wine, production logistics and business management. Paula has equally demanding roles as General Manager of Winegrapes Australia and mother of two feisty teenagers.



Richard  
Angove

Richard is a fifth-generation member of the Angove winemaking family.

He was not immediately interested in wine, instead completing a degree in Business with a focus on Marketing. However, he inevitably worked in the business during school and university holidays, getting a taste for what goes on in the vineyard, winery, laboratory and bottling department. More importantly, he tasted and was inspired by a 20-year-old Clare Riesling that was still fresh and vibrant, motivating him to enrol in a postgraduate Diploma in Winemaking (Oenology) at the University of Adelaide.

Fully qualified, Richard took off overseas to gain experience in as many different wine regions as possible, with no clear plan to return. However, he was drawn back to the family business in 2009 and is now Joint Managing Director with his sister Victoria.



Chris  
Dent

Chris Dent owns and runs his family vineyard near Swan Hill, Victoria. Chris found his passion for the wine industry at a young age while helping his dad on the farm and from there followed his dream.

After studying Viticulture at Charles Sturt Univeristy, he spent 10 years working for two of Australia's largest wine companies in viticultural roles before moving back to the family farm.

Chris is currently the deputy chair of Murray Valley Winegrowers Incorporated and is a passionate advocate for the warm inland wine regions.

In his spare time, Chris volunteers at his local football club and loves taking his young family camping along the Murray River.



Natalie  
Pizzini

Natalie's first role in the family business was as manager of the family owned Mountain View Hotel in Whitfield in 1997. Over the eight years spent there she learnt a lot about what people want - whether staff, locals or tourists. At this time tourism in the King Valley was in its early growth stages and Natalie contributed through ensuring the Mountain View Hotel offered a great visitor experience as well as providing leadership and highly-valued input into a number of local tourism bodies.

Stepping into managing the branding and marketing role at Pizzini Wines in 2004 has allowed Natalie's creativity free reign as she comes up with events both on site and around Australia, edits the much-loved Pizzini newsletter Tre Amori and plans the next move to put Pizzini Wines into people's glasses. "I love that I am able to work with my family to build a business for our family. I also love it when we create an event, whether in the King Valley or anywhere else, that really captures the spirit of Pizzini – the smiling faces when we say goodbye are the best reward."

Outside of working for the family's business, Natalie currently sits on two Ministerial Advisory Councils for the Victorian State Government – the Wine MAC and Visitor Economy MAC. Natalie also sits on the Regional Tourism Board for Tourism North East Natalie is married to Bernie Wood and they have two children, Charlie and Robbie.







Anthony  
Robinson

Dr Anthony Robinson lives in the Barossa Valley, where he is the Grape and Wine Innovation Strategist for Treasury Wine Estates. He started his career in 2000 and has since worked in a range of roles across the sector, from retail to research, viticultural management and winemaking. He has a PhD in Science (Oenology) and is best known for his integrated industry perspective, dedication to research and collaborative drive.

Anthony has produced wines for innovative and award-winning brands and published a number of peer-reviewed papers on wine chemistry and sensory science. He also is a strong advocate for independent wine benchmarking through the show system.

Anthony has organised and presented at technical conferences in Germany, France, the US and Australia and been actively involved with wine sector bodies and events, including WFA, ASVO and AWITC.



Sarah  
Collingwood

Sarah Collingwood owns and manages a micro-winery and vineyard in the Canberra District, Four Winds Vineyard. Outside the business Sarah is the mother of two and aims to ride her mountain bike and screen-print whenever time permits.

Since 2010, she has been in charge of the logistics and paperwork that underpin the operation. Sarah is a novel thinker and great innovator. She has used her experience in finance and marketing to turn four tonnes of spare shiraz grapes in 2015 into over \$46,000 for refugees and asylum seekers in Canberra. She is the treasurer for the Canberra District Wine Industry Association and was named a finalist in the 2016 Australian Women in Wine Awards owner/operator category.

With Sarah onboard, Four Winds Vineyard's new range of labels has been awarded two international awards for their photography-series labels: overall supreme at the 2017 Drinks International Wine Design Challenge and overall champion at the Harpers Wine and Spirits Design Awards 2017.

When she's not helping win awards, or raising money for refugees, Sarah's an avid mountain biker and enjoys hitting the trails around Canberra.



Marc  
Soccio

Trained as an economist and a winemaker, Marc Soccio decided to 'blend' the two and over the past 15 years has become one of the wine sector's leading analysts. After seven years working with Rabobank's economics and markets research team, exploring and communicating local and global trends and developments, he established his own advisory business, AgInfinity, to help inform business and industry strategy in the food and wine sectors.

When he's not musing about wine industry dynamics, enjoying the product, or raising two young boys with his wife Claire, Marc can be found slicing golf balls into (and sometimes over) Melbourne's Yarra River, and pottering in his garden – the closest thing he can manage to a vineyard!



Simon  
Killeen

Simon Killeen is a winemaker from Rutherglen who has a long family history in the wine industry. Finishing school, Simon worked in wineries and vineyards across Australia, large and small, and completed his winemaking degree at Charles Sturt University.

Travelling abroad, Simon has worked in the Rhone Valley and Burgundy of France, along with multiple trips to Portugal's Douro Valley where he specifically goes to learn about the native varieties and fortified wine production.

He ventured out on his own, starting Simão & Co. Wines in 2014 and is a proud ambassador of his home region, North East Victoria. He resides on his farm in Rutherglen with his partner, Alice where he has begun replanting the vineyard of his Great-great grandpa.

He is a mad history nerd, currently penning a book on the history of the Rutherglen Wine Industry, avid cyclist, runner, football fan and gardener.







Richard  
Leask

Richard Leask is a winegrower and beef cattle farmer based in McLaren Vale, South Australia. He holds an Associate Diploma in Viticulture and has been in the wine industry for over twenty years. He has held vineyard management positions in both WA and South Australia's Riverland region.

Presently, he is at the helm of boutique maker Hither and Yon with his brother Malcolm, and Leask Agri a high end viticultural services company. Richard has been a passionate advocate of biological farming for over a decade.

He lives in McLaren Vale with his wife Sharon and their three children.



Wes  
Pearson

Wes Pearson is a Senior Sensory Scientist at the Australian Wine Research Institute.

He has a BSc in Wine Biochemistry from the University of British Columbia, a Grad. Dip. in Sensory and Consumer Science from the University of California Davis, and is currently completing a PhD at Charles Sturt University. He is also the Director/Winemaker for Dodgy Bros and Juxtaposed Wines in McLaren Vale, and has made wine in France and Canada.

Wes has also judged in multiple capital city and regional wine shows and completed the Len Evans Tutorial in 2016.

Originally from Canada, he lives in McLaren Vale with his wife and two children.



Gwyn  
Olsen

Head Winemaker at Pepper Tree Wines and Briar Ridge Vineyard, Gwyn Olsen has been in the winemaking industry for twelve years. Graduating from the University of Adelaide in 2005 she has worked in New Zealand, France and Australia before settling in the Hunter Valley in 2011.

Awarded dux of the AWRI AWAC course in 2012 and Gourmet Traveller WINE Young Winemaker of the Year in 2014, Gwyn is focused on producing delicious wines from great vineyards. She judges at several wine shows annually and is a member of the Hunter Valley Wine and Tourism Committee.



Claire  
Doughty

Claire Doughty has more than 15 years' experience building brands, having worked in a global capacity with such well-known and respected names as Yalumba, Champagne Pol Roger, Oxford Landing, Westfield, Hardy's and Banrock Station. She is now the proprietor of Brand Warrior Communications, a new boutique marketing company offering brand thinking, trade marketing and consumer engagement.

Claire holds a Bachelor of Arts Degree in Professional Writing and Communications and a Master of Marketing, and has explored her love of marketing in three Australian capital cities and in London.





Chris  
Morrison

Communicator | Sommelier | Author

Chris has spent almost 25 years working in the hospitality and wine industries. In restaurants as an award-winning sommelier and then as a respected wine communicator, author and educator.

Chris is a former winner of the Sydney Morning Herald Good Food Guide Sommelier of the Year award, a Len Evans Scholar and has represented Australian wines to the world as the global wine ambassador for Jacob's Creek. He led the wine team of the three hatted Guillaume at Bennelong restaurant for over six years.

His first book, 'THIS IS NOT A WINE GUIDE, a wine book for the person who eats, cooks, entertains at home and dines out' was released by Murdoch books in June 2017.



Shirley  
Fraser

Shirley Fraser is a wine marketer and runs the Marketing and Sales at Byrne Vineyards in South Australia. As an innovative problem solver, she draws on two decades of wine industry experience to facilitate change that is relevant and effective to her employers. A Roseworthy graduate, Shirley is an avid ongoing learner, traveller and lover of art history.

Shirley is dedicated to unlocking the potential of each business she works with, whether global corporate, boutique, SME, family-owned or regional body. Cultivating their authentic stories and richness, innovation and causes, to build connections between brands in their route to market to achieve sustainable success.



Alexia  
Roberts

Alexia Roberts is the Group Winemaker for Penny's Hill and a champion for the McLaren Vale wine region, in particular its Shiraz, Grenache and Cabernet Sauvignon varietals.

A passionate and experienced winemaker, Alexia graduated from a Bachelor of Agricultural Science (Oenology) in 2004 and has completed more than a decade of vintages in McLaren Vale as well as additional vintages in other Australian wine regions and abroad. Responsible for the production of many acclaimed wines, Alexia is no stranger to medals, trophies, awards and accolades, both domestic and internationally.

Alexia's winemaking style is to craft elegant, fruit-driven, single vineyard estate-grown wines which best express the varying terroir of the three vineyard sites.



Mary  
Hamilton

Mary Hamilton is the CEO at the helm of Hugh Hamilton Wines; she is something of a wine shaman who understands why people make connections to wine brands. She is also a trained marketer, who is a marketing heretic!

After a successful career advertising some of the world's leading brands, Mary used her experience to create the ever-engaging Black Sheep wine brand and Black Sheep loyalty club and has launched over 30 sub brands. Her focus is on how to build a brand tribe, rather than a 'customer base', and the results speak for themselves. While many wineries struggle in shrinking markets and fail to cut through the clutter, Mary has found a way to stand out and create an enduring tribe of members that become passionate ambassadors for the Black Sheep.

Her other flock is on the home front, raising two gorgeous little people and designing beautiful homes with her husband, to house their passion for displaying their inspiring art collection.





A photograph of a vineyard at sunrise. Rows of grapevines with yellowing leaves stretch across a grassy field. In the background, a misty valley is visible under a sky with soft orange and purple clouds. The text "MANAGEMENT AND LEADERSHIP" is overlaid in white on the right side of the image.

# MANAGEMENT AND LEADERSHIP

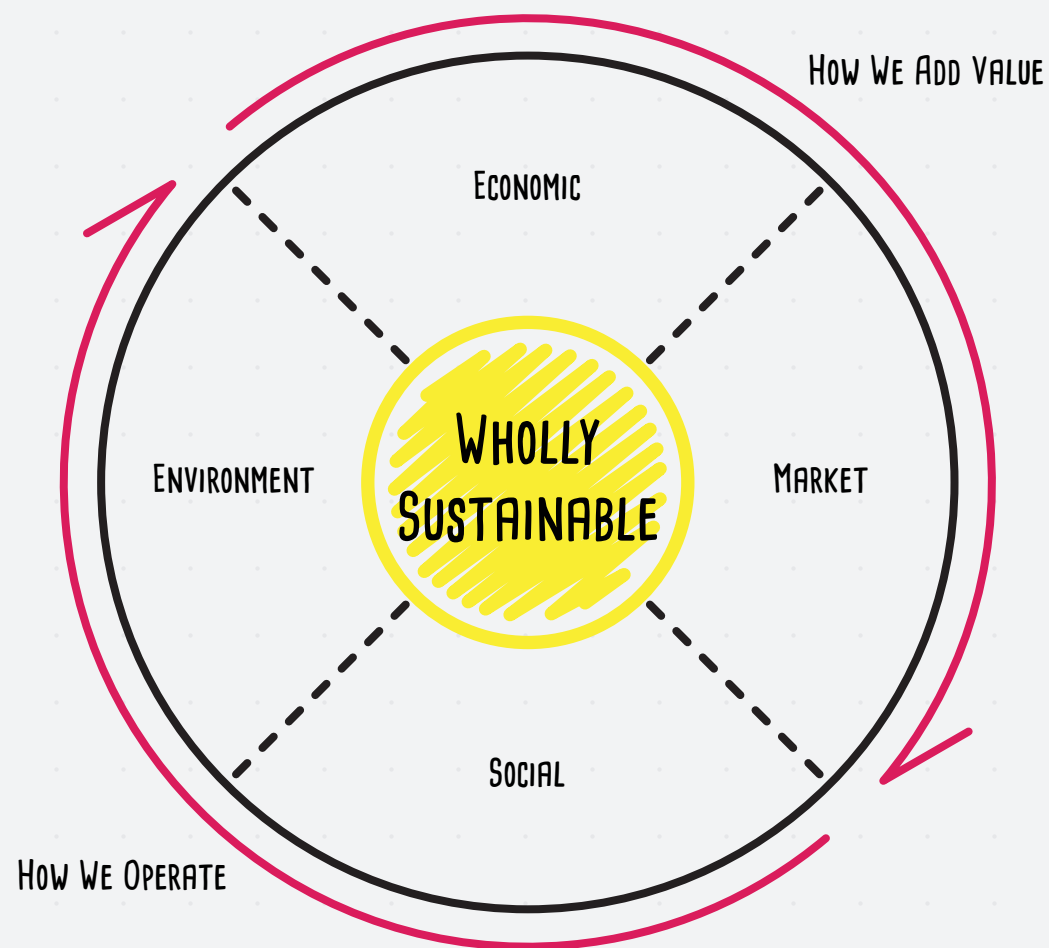


# SHORING UP OUR SUSTAINABILITY

Creating a wholly sustainable business  
takes work – but it's worth it.

by Paula Edwards





*The sustainability model is a simple model that reflects the interdependency of the four components of true sustainability. As a business, finding a truly sustainable state requires you to manage the four components of the model, financial, social, market and environmental whilst giving consideration to how you operate and add value to your business.*



Running any business is challenging. Running a vineyard that is both profitable and wholly sustainable can only be described as really challenging. But it is important, and in a competitive world we in the Australian wine industry need to question how wholly sustainable each of our businesses are.

In 2015 WFA reported 25% of grapegrowers were unprofitable. In my experience working with numerous grapegrowers, this is true. We see many survive and continue to exist, yet they struggle to become wholly sustainable. So, what is it to be a wholly sustainable business? Put simply, it is about managing your financial, social, market and environmental risks and obligations, and making the most of your opportunities.

These four components of sustainability are not independent of each other, and our challenge is to develop awareness of all the interrelations between them – to not only to become wholly sustainable businesses in our own right, but also to become a wholly sustainable wine industry.

## Component 1: Environment

We more often associate sustainability with a purely environmental perspective. If we were to assess whether we manage that component well, we would pass with flying colours, and for great

reasons. Australian grapegrowers fully understand that producing wine grapes sustainably is critical, especially in the current climatic environment. The implementation of sustainable management programs that include tools such as integrated pest management, soil and water management and organics systems demonstrates a deep understanding of the components necessary for environmental sustainability.

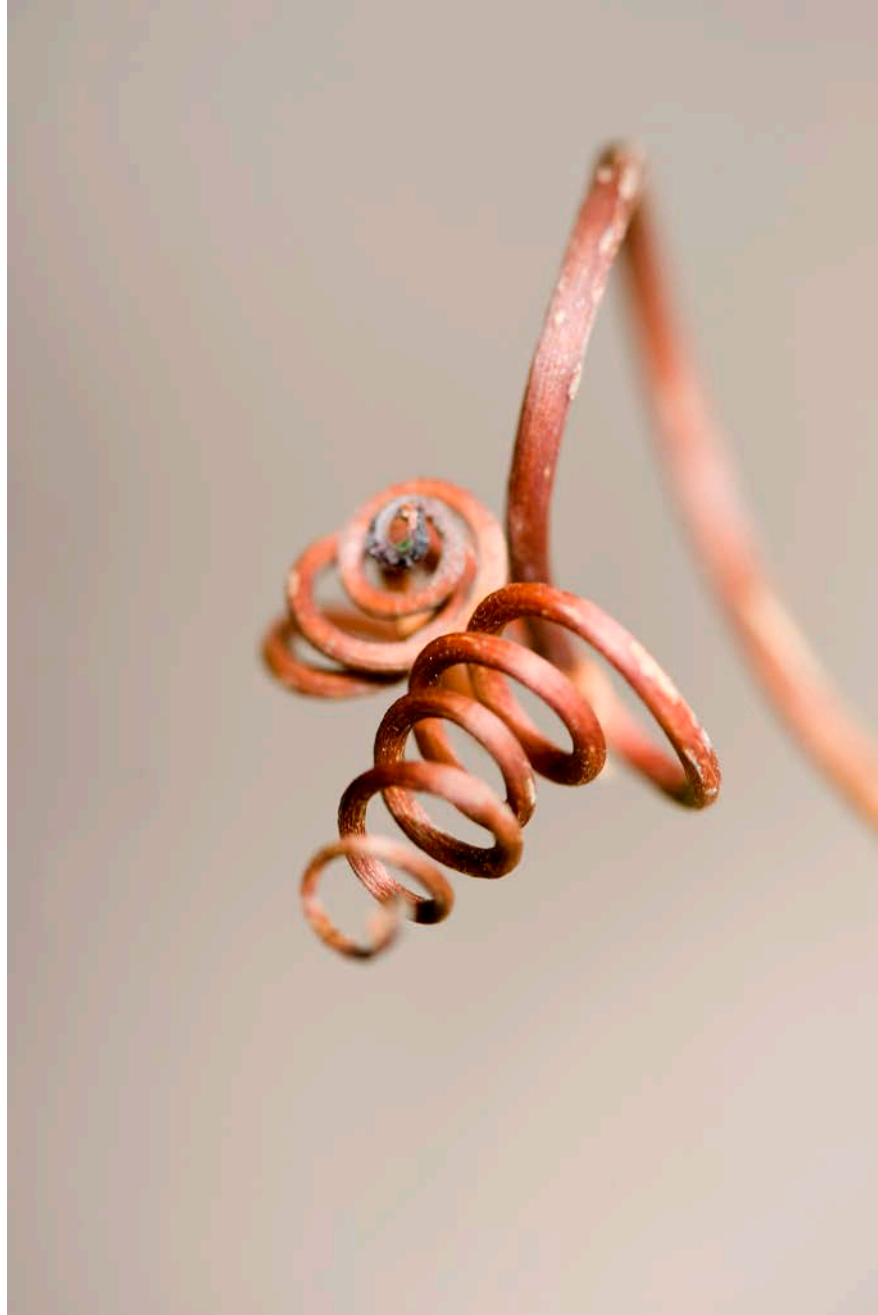
It is the other components that make up a wholly sustainable business model that tend to get overlooked.

## Component 2: Economics

Managing what we can control from a financial perspective is extremely important. Yet it is the one we have most difficulty managing due to its dependency on the other three components. We do not have direct control over market drivers such as production volumes of our competitors or consumer varietal preferences. On the flipside, we can influence aspects such as our customer relationships, business performance and environmental footprint.

As a grapegrower, the economic component is about yield and price. Other components of sustainability, however, can indirectly affect your return, such as climatic conditions or customer relations. Often grapegrowers look to secure the highest price for grapes and disregard other factors to improve their overall sustainability. Highest price is not always the most sustainable option as there is in fact much more to focus on other than the price per tonne. I refer to it as ‘the silo syndrome’. The single association of price with business success while failing to drill down on other components that strengthen your sustainability overall. The key is in benchmarking your performance from all aspects.

How can this benchmarking be done?



Reviewing your performance against a targeted benchmark gross return per hectare identifies those aspects that require change. Making it an annual event provides consistency. Industry has developed guides, but it is far more beneficial for you to establish your own so that you aim to achieve a return that allows for investment into all components of your strategy to be wholly sustainable.

Why? More holistic assessments ground-truth your business so you can plan for the future. It helps to determine what is and isn't working in your vineyard and where you lose revenue. As an example, do you have the appropriate yield level for your site but find the price you receive doesn't match? Do you generate enough income to return capital back to vineyard infrastructure?

### Component 3: Market

The market component is controllable, but only indirectly for some aspects, such as supply volume. We can control how we, as grapegrowers, are perceived in the marketplace by how we meet the needs of our customers and the value we place on our own contribution to the wine production process. It's closely linked to the social component through engagement and collaboration.

### Component 4: Social

Social relates to community, collaborations and both customer and personal relationships. For customer relationships to be sustainable there always needs to be balance where mutual results are gained. This falls back into the economic component, where if price is the sole dictator of the relationship then the relationship will be short term. It can impact not only on your overall profitability but also to your

reputation as a grower and affect your customer relationships. This concept applies to grapegrowers and to grape buyers.

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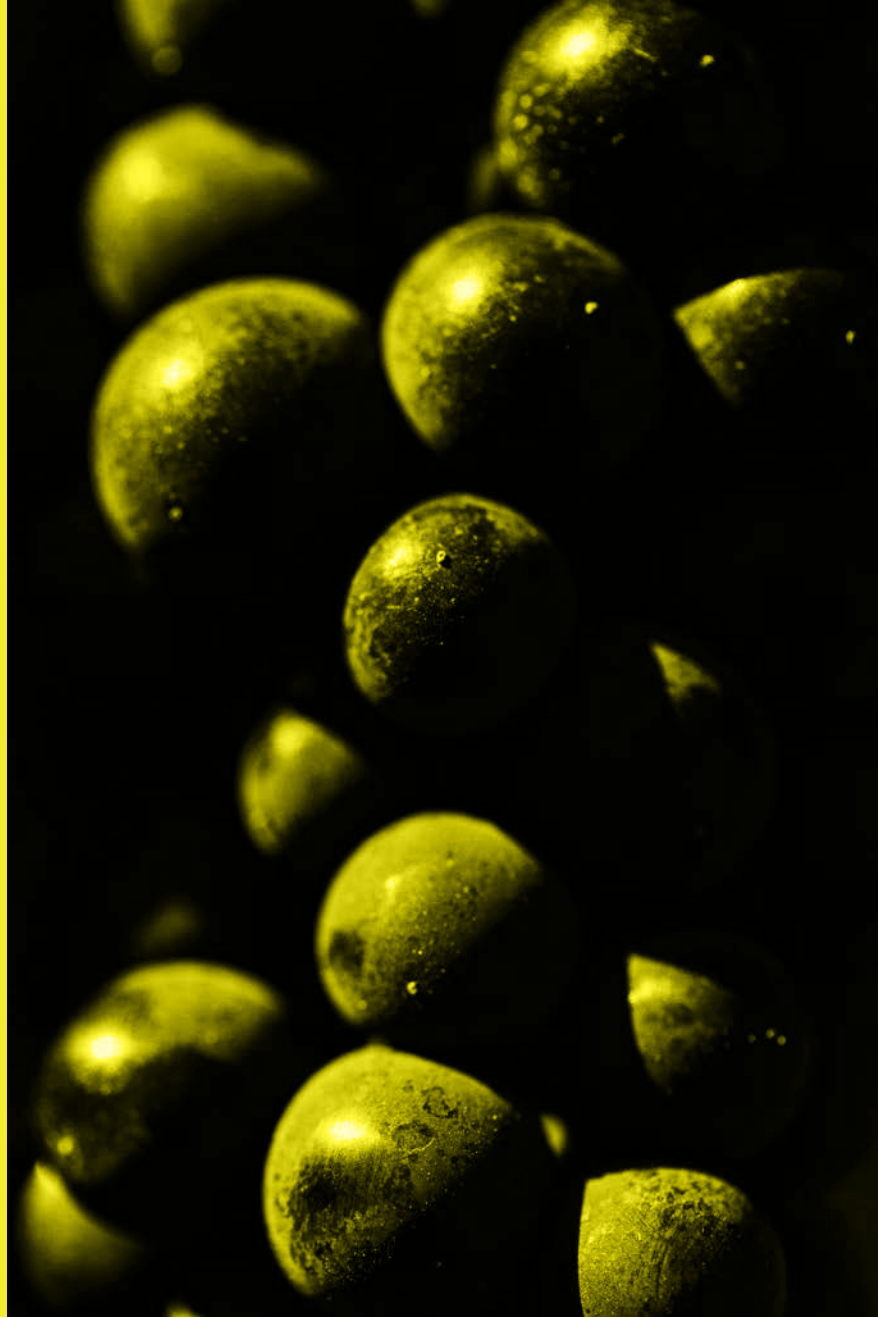
*Collaboration is  
interdependent of all  
components of the wholly  
sustainable strategy and helps  
to deliver the source of all  
knowledge to inspire growth  
and change.*

---

### Summary

In an evolving industry like ours, there is always change. It is up to us to be able to weather these changes and future-proof ourselves. In your own business, consider each component as a guidepost for a sustainable strategy. Use the wholly sustainable model as a lens to identify areas that need adjustment. Seeking to improve the four components of the model by addressing each of their influencing aspects will create the opportunity to achieve consistency of financial performance and produce a wholly sustainable business model to secure not only the future of your own enterprise, but of industry as a whole.





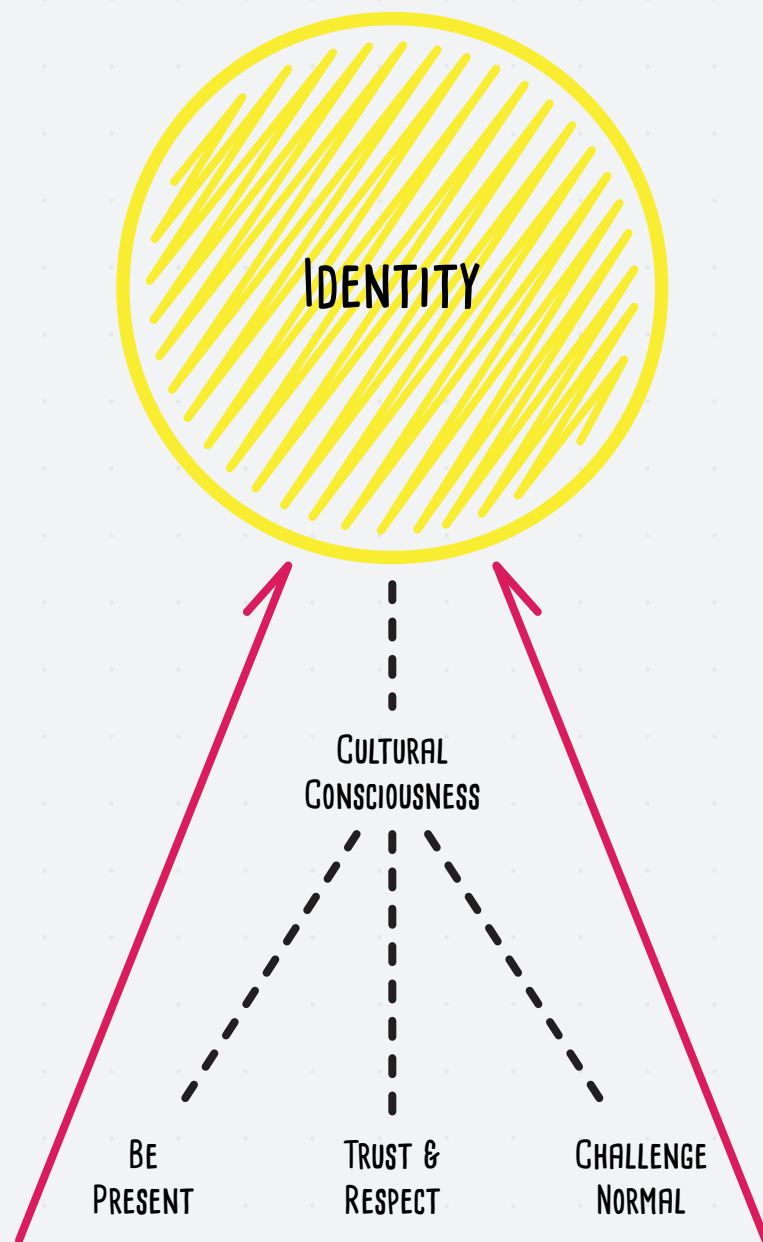
# CULTURE CORES: TRUST, RESPECT, CHALLENGE AND BE PRESENT

Cultural Conversations and how three pieces of  
wisdom increased my cultural consciousness.

by Richard Angove



*The Cultural Core diagram represents how three key core concepts can inform a cultural conscience and resultant identity. Culture is important and good culture can do more for a business than good strategy. Culture can influence not only the identity of the individual but also the identity of brand and indeed business. Get your values right and your culture will follow in a positive direction enabling good results.*



Culture exists in all businesses – small and large, old and new – and the way it is nurtured and managed is critical to business success and longevity. Great cultures can motivate people, elevate performance, foster innovation and deliver business and strategic results. A toxic culture can lead to de-motivation, poor performance, stagnation and, in the worst instances, business failure.

Much has been written on culture, yet there is no simple, agreed definition of what it actually is. That may not be a problem, however. In a recent talk, the well-known corporate anthropologist Michael Henderson suggested that a finite definition of culture (i.e. ‘what culture is’) may not be as important to leaders as knowledge of ‘what culture can do’.

A former president of Ford, Mark Fields, is famous for commenting that ‘culture eats strategy for breakfast’ and Henderson adds weight to that claim in his book Above the Line, quoting research by Mike West of the London School of Economics showing that culture has eight times more influence on a company’s results than strategy alone.

It is clear that even with the best business plan and strategy, results will be poor, unless the culture of the team enacting that strategy is good. So, which key cultural values do we want to maintain and/or nurture?

Over the past few years I have had three significant conversations that have helped shape my perspective on what underpins a positive, effective culture, and the values that contribute to it.

## Trust and respect

Soon after joining the family business I was driving through McLaren Vale with Tim Boydell, our Director of Sales and Marketing, discussing many and varied topics, from management and planning to family succession. We concluded on this note:

*At the end of the day, if you can trust and respect the good people in your business you will be 90% of the way to doing a good job. It is the people in this business that will make it a success.*

## Key take out

High levels of trust and a deep respect for the good people within the business can only lead to great cultural outcomes: sustained motivation, empowerment and fulfilment. With great people, trust, respect and a deep understanding not only of what we are all aiming to do but also of why we are aiming to do it, will provide ongoing success. High levels of trust and respect also serve to reduce conflict, better enabling team members to perform at their best.



## Challenge the normal

My father recounts a saying his father often pulled out around the winery and distillery. He lived by this saying and he infused it throughout the business, whether in the vineyard, winery, sales or marketing.

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*There is always a better way to do something, it just hasn't been thought of yet...and don't be afraid of making a mistake doing it... just learn from it.*

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### Key take out

The value of always looking to improve and the knowledge of the possibility that you are just one thought away from 'better' is a valuable driver for innovative thought. This, coupled with the knowledge that mistakes are okay, can enable innovation, influence motivation, and empower team members to 'challenge normal' and extend the boundaries of what's possible.

## Being present

Many years ago, I was chatting with Peter Cumming, owner and operator of Water Wheel Vineyards. His family was once heavily involved in tomato farming and his father would often give a fantastic analogy for 'management by walking around'.

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*The greatest fertiliser for the tomatoes is the owner's footprints in the farm soil.*

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### Key take out

Keeping in touch with team members in person is such an important component to managing, maintaining and nurturing a healthy set of cultural values. It is often a great barometer for what and why things are happening within the business. Being present within the business, and in particular being present within day-to-day conversations with team members, is vital to an ongoing healthy culture.

## Summary

As someone at the beginning of a leadership journey, unpacking what values form my own cultural identity has been a powerful tool throughout the Future Leaders program. These three key conversations can be referenced often to remind us of, and reinforce, cultural values across business. Knowing that culture exists within a business is a great start to working on making it better. Knowing what culture can do for a business is even more important and a continual focus on nurturing and improving the business culture will have a great effect on outcomes and results. The wine business is about people, and a culture of trust and respect, the bravery to challenge the norm, and continued 'presence', will put many a business in good stead for success.

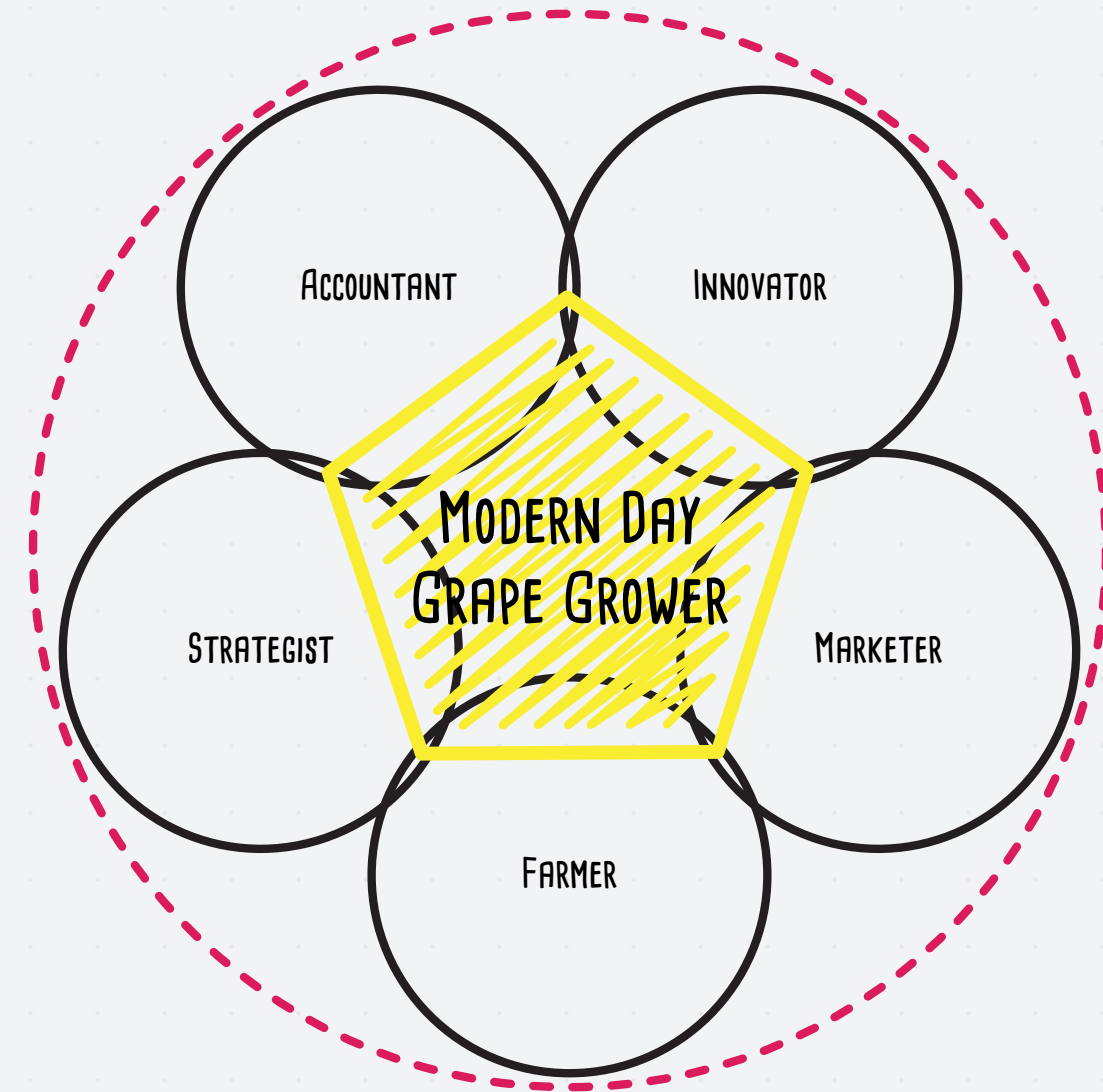




# THE MODERN DAY GRAPE GROWER: A PARADIGM OF HATS

Try on a new hat. It might just bolster your business.

by Chris Dent



## Strategist's hat – the optimist

Strategic planning is about knowing what we do, why we do it, how we do it, and what success looks like. It helps set priorities, focus energy and resources, and ensures everyone stays on track. As grapegrowers, we've got to wear the strategist's hat and develop plans that we truly believe in. We must have high ambitions and a clear pathway. These goals will help you make smarter business decisions, and when shared with key partners, will convince them you're a fair dinkum grower that's worth investing in.

## Marketer's hat – the story teller

This is the hat that sits the least comfortably on the head of a grapegrower. Yet it has the potential to deliver huge results if worn with confidence. Marketing is about introducing your product to potential customers and giving them a reason to buy your product over someone else's wares. Without an effective and authentic story, how is a customer supposed to know how valuable your product is? We must build value into our product, we must believe our product is valuable and we must promote our product AND ourselves to allow us to attract the customers we want to deal with, and take some control in the price we receive. Otherwise our grapes remain a commodity and we plateau as a price-taker.

## Accountant's hat – the mathematician

Money is often the main reason we do what we do – to earn a comfortable living for our family and to build an asset which can either be realised for our retirement, or left as a legacy for the next generation.

They say that the good old days were a simpler time. I can't argue with that. Rewind 25 years, and you find a time when a grapegrower was just that: a grapegrower. The grapegrower of yore had an ol'-faithful hat that they'd lovingly brush and oil. Their path was straightforward; their world, more defined. Today though, we wear many hats. In fact, every morning we're met with a hat-stand full of roles, responsibilities, compliance requirements, and expectations we have to wear to stay on top of our game, in pursuit of our ultimate destiny.

At a high level, I've identified five key hats which a modern day grape grower will need to wear to survive and thrive.

## Farmer's hat – the scientist

As farmers, we don't view ourselves as scientists, but when you think about it, our role is to produce a product fit-for-purpose, and every task we do on the farm has a direct scientific reason. Whether it be on the tractor slashing, or fixing an irrigation leak, this is the role we're best at, and is undoubtedly the hat that is worn the most as a grape grower. Farmers are deeply connected to the land, they're hard-working and resilient. Before a grape grower wears any of the other hats, they must make sure this one fits well first.





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*In 2017, the total value of the  
Australian winegrape crush  
was \$1.22 billion.*

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In 2017, the total value of the Australian winegrape crush was \$1.22 billion. There's a lot of money tied up in growing grapes! So, we have to be smart with our numbers.

While it is wise to employ the services of a practising accountant to assist in taxation requirements and other financial matters, as a grapegrower, we need to be across more numbers than just dollars!

Savvy grapegrowers I know can reel off production figures, yields per hectare, tonnes per megalitre, fuel use per operation, all sorts of figures - in an instant! They know to the nearest dollar what the tipping point is in a grape price from profitable to unprofitable, and they know how many hours of irrigation is equivalent to a millimetre of rain. While it is impressive these growers can remember all this stuff, the deep knowledge (and almost obsession) of all these numbers becomes so powerful when it comes to making smart business decisions quickly.

**Innovator's hat –  
the possibility thinker**

In today's world, technology and innovation are coming at us at a rate of knots. I often look at the equipment and technology that I use in the vineyard today and I ponder with a smile what my grandfather would have said if he was here today.

People can be quick to find a reason why an idea won't or can't work, but I don't believe that attitude helps us move toward a better future. While we fight

with ourselves and others about why it's a bad idea, those who challenge the status quo and embrace new ideas accomplish much more.

The only constant in the world is change. When you look at all the changes we face, and consider all the hats we now wear as grapegrowers, it's easy to see we have two options going forward.

The first is to feel dismay at the complexity; to grind against the change and cry out for the older, simpler days.

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*...those who challenge the  
status quo and embrace new  
ideas accomplish much more.*

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The other response is to apply the power of possibility thinking. What if these new dimensions add another layer of prospects? What if the pursuit of these endeavours ultimately make us better, and connect us to a greater end result? If that's true, aren't the hats worth trying on?



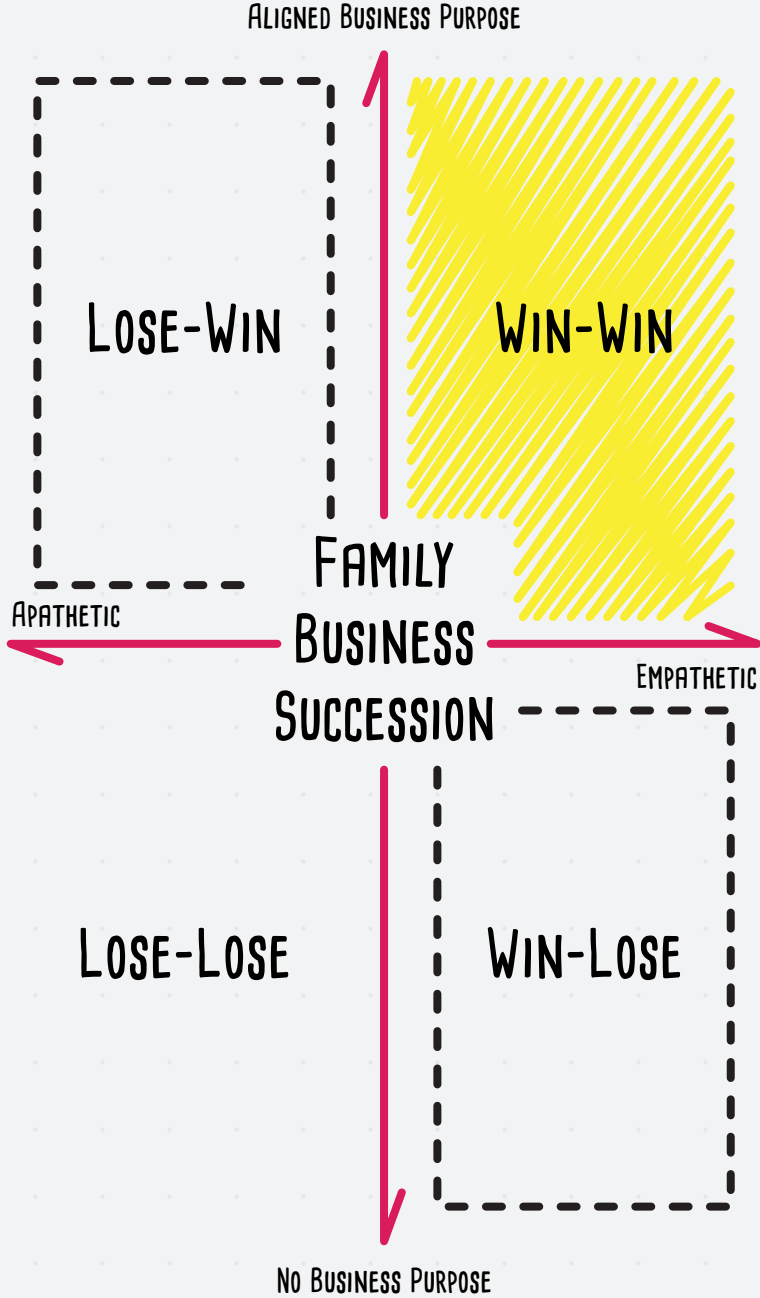


# FAMILY BUSINESS SUCCESSION

A story of planning, love and purpose.

by Nat Pizzini

*This model aims to provide a starting point for family owned businesses to take steps to pass management to the next generation. The model uses a Purpose Continuum and a Love Continuum. The Love Continuum is bookended by Apathy and Empathy. To corporate this could be deemed simplistic, however, many family businesses goals include building and maintain a dynasty. Love is crucial to the successful achievement of this goal.*



Starting the process of succession planning – handing over management to the next generation – can be as angst-ridden as it is rewarding for most family businesses. It can impact on the parents and all of their children, not just those who are working in the business.

With the increasing number of family-owned wine businesses, it is imperative that we take the bull by the horns when it comes to succession planning. Some of these operations are fully professionalised, but not all. If we are to maintain and foster diversity in our country’s wine and tourism offering and support economic development across regional Australia, then a considered approach when handing the management of the business over to the next generation should be embraced.

In 2015 KPMG published the results of its Family Business Survey. Respondents came from a broad range of industries based in Australia, not just wine, and 76% of respondents said that they planned to appoint a new CEO within five years. 60% intended to pass the CEO role to a family member and 30% to a non-family member. 10% said they would sell the business in the next five years.

The interesting finding was that 26% of those planning to pass the CEO role to a family member in the following 12 months thought the likely successor was not ready, 55% of those passing it on in 2-3 years

thought the likely successor was not ready, and 63% of those intending to hand over the CEO role in the next 4-5 years thought the likely successor was not ready.

This points to the clear fact that to reduce the angst for all parties involved in the succession process the journey needs to be strategically planned. Each family member needs clarity over the role they will play in the business’s future and what it is they need from the process.

Pizzini recently has been trudging through the muddy waters of succession planning, and sometimes it felt more like quicksand. The desired outcome for our business was to achieve harmony amongst family members and to continue the involvement of family at the highest levels of the decision-making process. Family connectedness and retention of compounded IP was, and is, paramount.

After four years of employing various consultants at a significant cost to the business, and with each family member feeling the stress of the process at different times during the journey, we can now say that we can see the light at the end of the tunnel and we’re even getting close to being able to bask in the sun!

*There is no ‘one size fits all’ process for a long-term successful outcome.*

There is no ‘one size fits all’ process for a long-term successful outcome. Many factors can impact the duration, cost and success of the process. Financial security, personal fulfilment, feelings of unfairness, a sense of duty, long-term family harmony, and mental and physical health issues can impact how family members interact with the process at various times





over the journey. All this at the same time as the need to build a financially successful business to ensure continued employment and prosperity.

Two ingredients are core to achieving an outcome that will promote long-term family harmony and sustained business growth. Family businesses that value fostering love between family members and who work to achieve an aligned or agreed business strategy will have greater success in building a business that lasts generations. This may seem overly simplistic, especially to those from a corporate background, but family business is a different beast.

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*Family businesses that value fostering love between family members and who work to achieve an aligned or agreed business strategy will have greater success in building a business that lasts generations.*

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The four quadrants represented in the model can be characterised using the words 'Win / Lose'. They describe both the emotions that family members will experience and how the business's bottom line can be impacted if succession runs off track.

Of course, the optimum is for family members to have great empathy for each other and a clearly defined business strategy. Everyone wins with this outcome. However, the road to 'Win / Win' is rocky and steep. And depending on how ingrained apathy has become,

especially when it coincides with a lack of purpose, the family, the brand, and your bank balances are heading for a very dark place.

The win / lose quadrants could be considered stepping stones, or they could be the starting point for some family businesses.

Use the model to plot where you think you are in the process. Ask others where they think they are. Then compare the results. They could provide a sobering realisation that not everyone is on the same page and demonstrate that some work needs to be done on improving relationships and purpose.

Considered incorporation of these ingredients may help to reduce the stress of the process for family members, provide a stable and enjoyable work environment for staff, help to choose the right people to help guide the process and reduce the dollars spent on consultants who may or may not be in it for the right reasons.







GROWTH AND  
INNOVATION



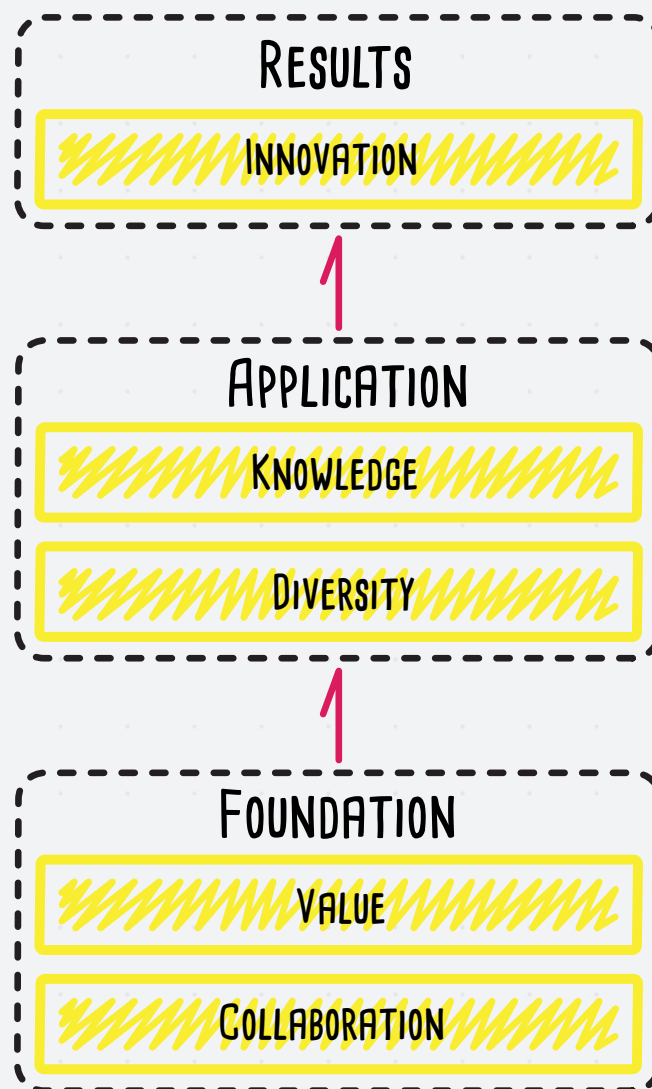


# INNOVATION NEVER STOPS, BUT WHERE DOES IT START?

If you don't adapt you lose your edge –  
and your place at the table.

by Dr Anthony Robinson

*Working together through collaboration and recognising the importance of creating value for all parties forms the foundation of a healthy innovation environment. Diverse teams capable of learning from one another to generate new knowledge builds on this foundation.*



## Elements of innovation

### Collaboration

Collaborative problem solving is a strategic partnership where groups learn, grow and succeed from working together. Both producers and R&D providers must recognise that together they are greater than the sum of their parts. Producers must learn to ‘value knowledge’ as the quality output from R&D providers, rather than operating on a ‘fee for service’ model to solve commercial challenges. Conversely, R&D providers must learn to pursue ‘commercial value’ as a tangible output, while balancing their need to ‘publish or perish’. When the culture and strategy of producers and R&D providers are aligned, industry achieves ‘flow’.

### Value

Despite strong economic analyses demonstrating the value of R&D to primary industry and the wine industry, the Australian investment in R&D continues to shrink. Wine Australia R&D investments in 2016 returned a gain to the industry of 9.4 times the cost. However, in 2017, Wine Australia received just \$14 per tonne of grapes processed for R&D, which was less than 1.0% of the gross value of grape and wine production. The reasons for the proportionally low investment in R&D are numerous, but at the end of the day it puts us at risk of inefficiencies or complete gaps in our ability to respond to issues and change. Fundamentally, the creation of new knowledge by R&D providers makes businesses competitive, which in turn provides industry funding to undertake research. Both parties need to recognise that value creation is a win-win relationship.

Imagine you are a French vigneron in 1870, watching generations of vines wither and die due to an unknown epidemic. The issue of phylloxera, which eventually decimated millions of hectares of vines, created researchable questions to be investigated and the innovative solutions developed have since benefited the global wine industry.

Now fast forward to today and imagine you are an Australian grape grower watching your vines wither and die due to trunk disease, or a winemaker tasting their best parcel of Shiraz only to gag, realising it’s been spoiled by brettanomyces. While many problems have been overcome, many more present themselves due to the evolving demands of customers, increasing needs for efficiency, environmental challenges and politics, both domestically and abroad.

One must embrace innovation to maintain competitiveness. If we don’t adapt to change, we lose our competitive edge and there are many businesses ready to step in and take our place at the table. This is the world I confront every day, and to stay competitive, I embrace innovation.

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*The question is: how do we create the right environment for innovation?*

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*Fundamentally, the creation of new knowledge by R&D providers makes businesses competitive, which in turn provides industry funding to undertake research.*

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### Diversity

We are not in the wine business serving people, but in the people business serving wine. Valuing people within your network and being customer focused is key. Acknowledging diversity within a team results in shared knowledge that creates a stronger unit. Not only demographic diversity but personality differences will drive innovation. Nielsen's 2014 CPG Innovation report identified that teams consisting of six or more people generated concepts that performed 58% better with consumers than the concepts developed by teams of two. It is obvious that you need to utilise the expertise within your team, but you can also look to suppliers and customers to gain further perspective. These groups will lend fresh insight to a challenge. Leadership in teams is key to managing the different personalities and work habits. Finally, a word of caution. Productivity declines when teams get too large – no one likes herding cats.

### Knowledge

What is the problem that you want to solve and why? Is it a question of process efficiency, product differentiation, quality improvement, category creation or discovery? The identification of rotundone as the pepper flavour in wine is an example of an

industry discovery that eventually led to vineyard management and quality improvement activities. It is this application of new knowledge that drives industry change. There will always be demand for quick-fixes and for integration of new knowledge into already complex systems. Conceptualisation, experimentation and implementation are all opportunities to learn from one another. It is important to combine the experience of producers with the unique skills and robust research methods of R&D providers. Even research that seems to have 'failed' will generate positive outcomes for future approaches to problem solving.

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*It is important to combine the experience of producers with the unique skills and robust research methods of R&D providers.*

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### Summary

Innovation is the heart of development and competitiveness for our industry. To maintain future competitiveness, there must be collaboration between wine producers and R&D providers to identify value, embrace diversity and create knowledge that benefits all stakeholders of the wine industry.

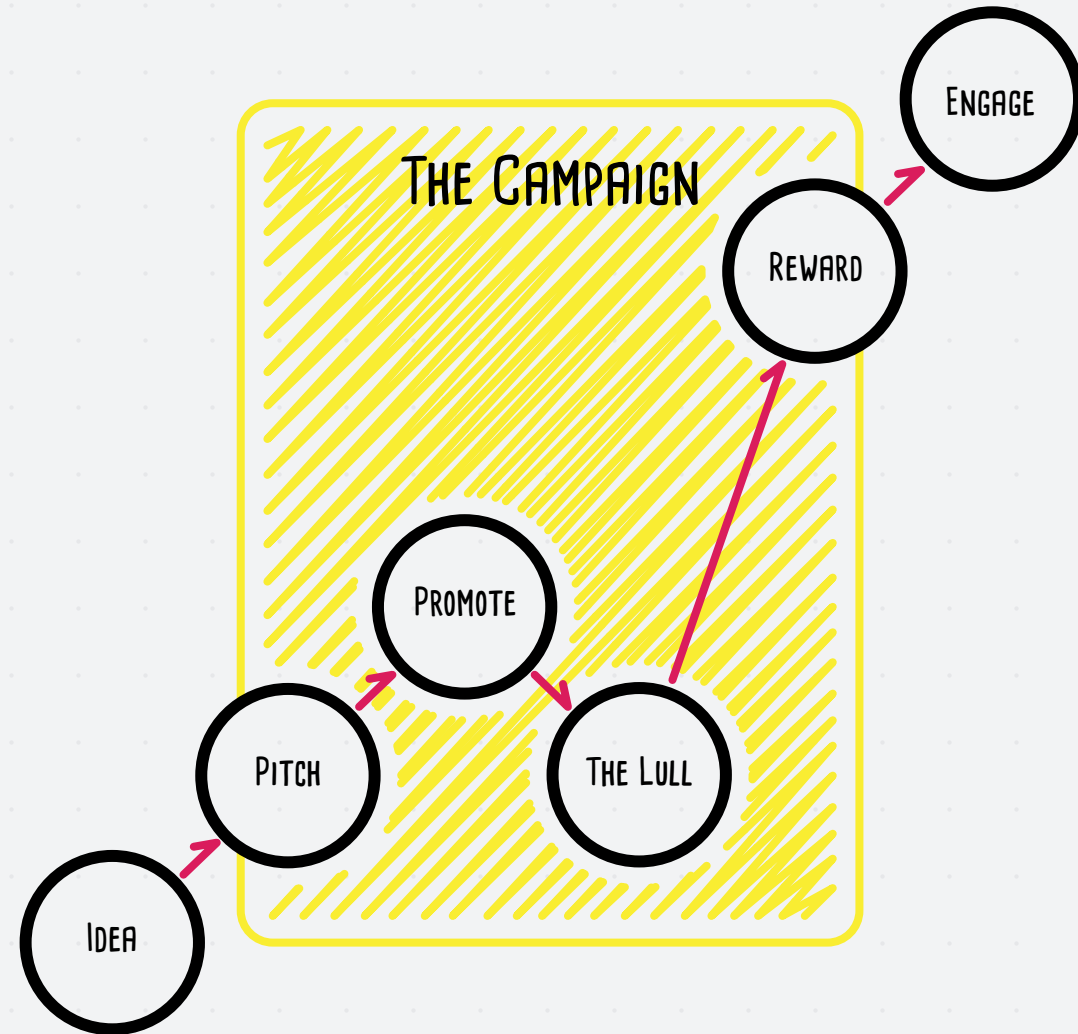




# PICKING POZIBLE: ADVENTURES IN CROWDFUNDING

Pre-selling products to bring  
your future funds forward.

by Sarah Collingwood



*The crowd-funding campaign process from conception to completion. How to build momentum and plan for the mid-campaign lull.*



In 2014, less than 15% of Australia's wine grapegrowers made a profit. This was a frightening statistic for our business that was in the early phase of growth. Two generations worked in the business, and we produced 1500 cases annually, 80% of which went straight to consumers.

We had to question, in the face of this reality, how to sustainably grow our operation, and the best way to finance this goal.

Our answer was a break from tradition and use new tools and technology to fund growth.

A report from the Federal Treasury (Australian Small Business: Key Statistics and Analysis) made the point that small businesses pay more, on average, for debt than both households and larger businesses. This leads to smaller businesses using household debt products to fund their business.

Our practice to this point was to draw a small wage from the business, but to focus on re-investing to grow.

To keep growing, we realised, we would need to increase the size of our winery.

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*We turned to crowdfunding.*

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Crowdfunding seeks capital for a venture by raising small amounts of money from a lot of people. It's typically done online. It essentially allowed us to sell a product before it existed.

## The plan

Our plan was a simple one; raise \$21,635 in 30 days to extend our winery prior to the 2015 vintage, allowing us to increase production.

After carefully reading the fine print on a plethora of crowdfunding sites, we went with Pozible. Pozible allowed wine to be offered as rewards for investors.

An important part of our crowdfunding campaign was that it was all-or-nothing as research showed that these projects had the highest chance of success. We either made it to the financial goal, or, if we didn't, none of the pledges were charged to supporters and we ended up with nothing.

## The timeframe

All the data from the crowdfunding sites showed that projects lasting 30 days or less had the highest success rate. Thirty days was long enough to build momentum, but not so long that it became background noise to possible supporters.

## The video

Crowdfunding platform Indiegogo found that campaigns with a pitch video raise four-times more funds than campaigns without. We spent a lot of time working on the video. While far from a professional production, it was inexpensive to produce and clearly told the story of why we were asking for investment in our project and how these funds would be used.





## The momentum

According to Kickstarter (another crowdfunding site) most funds are raised in the first and last two days of a campaign. We had been warned about a ‘lull’ mid-way through the project. We noticed this break in momentum after a great start. Although social media and our mailing list were our best promotional tools, we were careful that we didn’t spam these groups with details and reminders about the project. Our lull ended with a week to go. The momentum built again, and we made it to our target with 43 hours to spare.

## The rewards

A crucial part of the project are the rewards for supporters. We had a range of rewards for pledges from as little as \$5 through to \$3000. We put together a blend of wine that was only available to supporters of the project, making it exclusive and tangible. For the larger pledges we offered private dinners and parties. We had 133 supporters who invested an average of \$168 each.

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*We put together a blend of wine that was only available to supporters of the project, making it exclusive and tangible*

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## The love

Harvard Business Review’s 2016 article The Unique Value Of Crowdfunding Is Not Money – It’s Community claims crowdfunding validates demand for your product and builds communities of support. We have experienced this. We regularly

have customers in the cellar door finding their name on the ‘thank you board’ and talking about the latest bottle of ‘thank you’ blend wine they have opened recently. The loyalty generated by the crowdfunding campaign was an unpredicted, but welcome side-effect of the project.

Crowdfunding exceeded our expectations. It provided us with access to capital by pre-selling rewards. It helped us to avoid using traditional and expensive funding options. On top of these bankable outcomes, it grew our community of support, introduced our brand to new people, and provided us with a story to use as a marketing tool and attract media attention.

The low cost of crowdfunding and the benefits, both tangible and long-term, make it a tool we would recommend to other small Australian wineries.





# GIVING FLIGHT TO WINE BUSINESSES

Improved access to capital and market alignment  
will be key elements to the wine sector's  
next stage of development.

by Marc Soccio

*Market alignment is a broad term, encompassing a wide range of practices that help businesses become more attuned and responsive to their market environment. This ultimately acts to drive growth and profitability through a well aligned product mix, brand architecture and distribution network, and an efficient, informed and engaged workforce and supply chain.*



If you charted the investment cycle in the Australian wine industry over the past 30 years, it would show one hell of a wild ride. From a broad foundation of family owned and run businesses, the industry rapidly drew on vast sums of outside investment capital and resources as it scaled up to meet burgeoning global demand.

For a while capital flowed from all quarters. However, boom eventually led to bust and today all but a couple of the beer and spirits companies have made for the exit, and very few publicly listed wine companies remain. What's more, banks and equity investors are much more circumspect about how they approach the industry. This has made getting access to capital a far more difficult proposition for most wine businesses, despite it becoming apparent that more capital will again be needed in coming years to fuel the next stage of the industry's development.

So what's this capital likely to be needed for? Subdued profitability has led many wine businesses to delay or ration capital expenditure for some time now. If investment doesn't begin to pick-up, a depleted asset base threatens to restrict business' ability to capitalise on the opportunities that are now presenting themselves. There are also growing ranks of asset-light businesses that are beginning to look to secure their supply chains, while a wave of

our wine entrepreneurs of decades past are weighing up succession and exit options. Where will that investment capital come from?

*In my experience, those companies that are well positioned to deploy capital tend to display one additional characteristic – their close alignment to today's growing markets.*

Limitations on the industry's ability to grow and prosper in coming years are not restricted only by access to capital. While many Australian wine companies can do with the capital injection, not all of them are in a suitable position to deploy it productively. In my experience, those companies that are well positioned to deploy capital tend to display one additional characteristic – their close alignment to today's growing markets. Any risk-averse investor would pay to keep this front of mind, judging by the wide array of financial performance evident across Australia's 2500 or so wine companies.

So, in some ways, the profitability and growth prospects of wine companies can be broadly categorised by gauging their access to capital and the degree of market alignment.

New sources of investment capital will help to give highly market aligned but undercapitalised companies a significant lift, while there are just as many companies with ready access to capital which lack the supply chain, distribution and brand assets



to grow sales and profitability. Some such companies are behind the rise in mergers and acquisitions activity we have been seeing, as they seek to better align themselves to today's market reality.

Others, as we know, are well and truly flying high on both fronts. But unfortunately, there remains a long tail of struggling wine companies with neither foot in either camp. For these cases, a radical change in direction is necessary before too long, which may come via consolidation or perhaps an investor with the necessary means to make that difference.

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*...the emergence of significant new markets such as China is giving rise to new sources of investment as Chinese interests seek to play a bigger role in the industry.*

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Certainly, the emergence of significant new markets such as China is giving rise to new sources of investment as Chinese interests seek to play a bigger role in the industry. There are also innovative investment models that look set to play a part in the industry's funding mix in years to come. Here I refer to new structures such as crowd-sourced equity funding, which will become active later this year. Variants of this crowd funding model are already active, such as Naked Wines, which are more akin to hybrid distribution models that are also geared towards funding working capital for wineries.

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Crowd-sourced equity funding (CSEF), where equity in the business is offered in return for small capital contributions by the public, has been active in other jurisdictions such as the US, EU, Canada and New Zealand for some time now. It has been actively deployed to help finance a growing number of smaller beer and spirits ventures, and some wine ventures, such as Invivo Wines in New Zealand, which recently used CSEF to raise capital to help finance the purchase of a winery, amongst other things.

Given the level of consumer interest in wine, I can see wine companies being a particularly attractive CSEF investment option for the public, while also adding a new dimension to the community surrounding our wine companies if used responsibly. Who knows, it could even help to strengthen the bonds and align the interests between wine companies and their grapegrowers.





A photograph of a vineyard at sunrise. Rows of grapevines stretch across a hillside, leading towards a misty valley in the distance. The sun is low on the horizon, creating a warm, golden glow and casting long shadows. The text "GROWING AND MAKING" is overlaid in white, sans-serif capital letters on the right side of the image.

# GROWING AND MAKING





# VARIETIES ARE THE SPICE OF LIFE

I had a Fiano once. Then I planted  
a whole vineyard of the stuff.

by Simon Killeen

#### **Promotion**

*Own these varieties.  
Band with other  
producers. Do you make  
it a regional specialty?  
Do you do a small group  
roadshow specialising  
in other producers on a  
weird and wonderful.*

#### **Production**

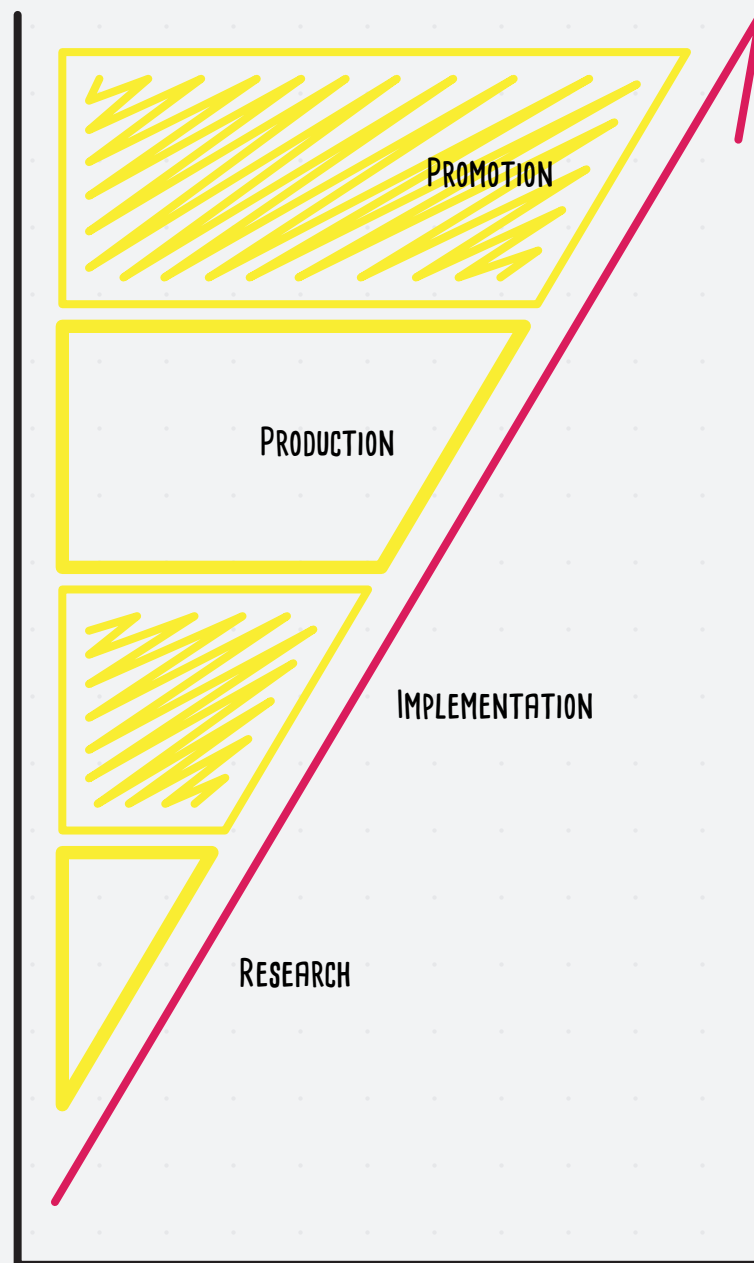
*Have fun. Have pride.  
Have conviction.  
Embrace the challenge.*

#### **Implementation**

*Grafting/planting  
programs – seeking good  
scion, good clones, good  
bud wood, good site  
selection.*

#### **Research**

*Varietal discovery.  
Climatic Comparison.  
Scion wood availability.  
Talk to people with these  
varieties. Talk about  
style, international and  
domestic. Accumulate  
and taste wines of the  
varieties or related styles.*



The Australian wine industry has seen waves of popularity over the years in the wines it has produced. Full bodied colonial Clarets, Hermitage and Burgundies were the favourite of the greater Commonwealth in our country's youth. Fortifieds very much had a fifty, nearly sixty year reign over the country's production which then led into the table wine revolution of the 1960's and 70's. With this change saw a whole nation being educated in wine consumption. Most notably, Australians learnt the difference between Shiraz, Pinot Noir and Cabernet as opposed to the simply named Hermitage or Claret. This then morphed into consumers understanding style; classic, full-bodied Shiraz or buttery Chardonnay's and the likes. We Australians are quick learners but damn, we are fickle, especially in recent years. We're nearly too big for our boots and now are starting to understand and prefer wines we had no idea existed ten years ago.

Examples of this include the exponential popularity of Pinot Gris, the rise of Prosecco and the awareness and love for wines made from Tempranillo, Finao, Sangiovese and Grenache.

'Alternative varieties' is almost a redundant term in Australia as we are very quick to learn about and imbibe these new wines. But why are we not, as an industry, planting more of them? We certainly should be, given the difficulties upon agriculture climate

change is causing, along with the fact our whip-like speed to incorporate new varieties into our portfolios and market is nearly unrivalled around the globe.

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*'Alternative varieties' is  
almost a redundant term in  
Australia as we are very quick  
to learn about and imbibe  
these new wines.*

---

A lot of the time it is based on fear. Consumers won't change over to hold these new varieties up as house favourites, but they have time and time again shown they can break the ice quicker than the people who got the mouse in the wheel turning (we're looking at the wine makers and gatekeepers/sommeliers).

Marketeers need to embrace the challenge of the sales, pitch to the right bars and restaurants where a by-the-glass pour and hand-sell will result in a faster education than a bottle sitting on the shelf. But here they need the wines to be made to be able to do so. Thus, winemakers need to find confidence in producing such wines. But here, they also need to plant or buy grapes. So, they need growers and viticulturists to grow these varieties. Therefore, growers need to know that they have a market for their grapes to be purchased and thus can feel confident in grafting over or planting a new "weird and wonderful".

But what do you plant? Where do you begin? Shiraz will always have a market here in Australia, as does Chardonnay or Pinot Gris, why should anyone venture into these alternative varieties? Well, the easiest answer is climate. Chardonnay and Pinot Gris





will grow most places as long as you have water (after all, grapevines are essentially fruiting weeds that were cultivated).

Shiraz is prominently grown in the South of France where rainfall is 829mm p.a., much lower than the majority of where Shiraz, the most commonly planted grape variety in Australia, is planted. Chardonnay is grown in noted regions of France but they have a higher soil fertility requiring less synthetic inputs (regardless of biodynamic or organic practices) and their average temperatures and sunlight hours are considerable lower comparatively to Australia. Out of the 72 regions in Australia, only a handful mimic these climatic variables, with the resultant wines reflecting the suitability of vineyard site and putting them not only amongst the great wines of the country, but also internationally. What about the regions with conditions that common French varieties aren't as resilient towards?

Looking at varieties theoretically suited to said places, such as Fiano; a native to the Southern Italian regions of Campania and Sicily, one of its notable characteristics is retaining natural acid, even in warm climates and regions with low rainfall.

Souzao is another great contender for the Australian viticultural landscape. A black, highly coloured and tannic variety with a flavour profile similar to Durif but has high natural acid. If not made into a wine, the use as a blender or booster in the winery is very sensible. Many others could be listed that carry high potential for success with the Australian palate; Vermentino, Pinot Blanc, Nerello Mascalese, Schioppettino or even Touriga Nacional. What these varieties are lacking, again, is confidence from the growers and the winemakers, not from the consumers. Winemakers and marketeers should take a "build it and they will come" approach to embracing these new varieties.

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*Winemakers and marketeers should take a "build it and they will come" approach to embracing these new varieties.*

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Retailers and Sommelier "gatekeepers" are always looking for the new new, so why not embrace that, find the niche and champion a new variety that is far more suited to a region than our traditional options?

So where to from here? Doing your research is paramount if you plan to venture into embracing a new and alternative variety. Although we are a young industry globally, it is amazing to find a lot of information on varieties suited to Australia over the last two centuries. James Bussy brought a multitude of varieties to Australia after a research trip, and the information collected by Victorian state viticulturist, Francois de Castella on the suitability of varieties to the Australian climate and market (if you can find this paper, it is fascinating) is inspiring. We also have three, sometimes four living generations of growers and winemakers who have had some curly varieties planted for nearly a century and thus, have invaluable knowledge about how these varieties perform (I'm thinking varieties of the likes in Gouais, Durif, Alicante Bouschet, Trebbiano, Chenin Blanc or Touriga). These operators are a more treasured source of insight than any piece of written literature! So, who knows. Maybe Vermentino is the new regional champion somewhere in Australia, or perhaps Donzelinho Branco? It will happen. It just needs one vigneron to have a go. Why not it be you?



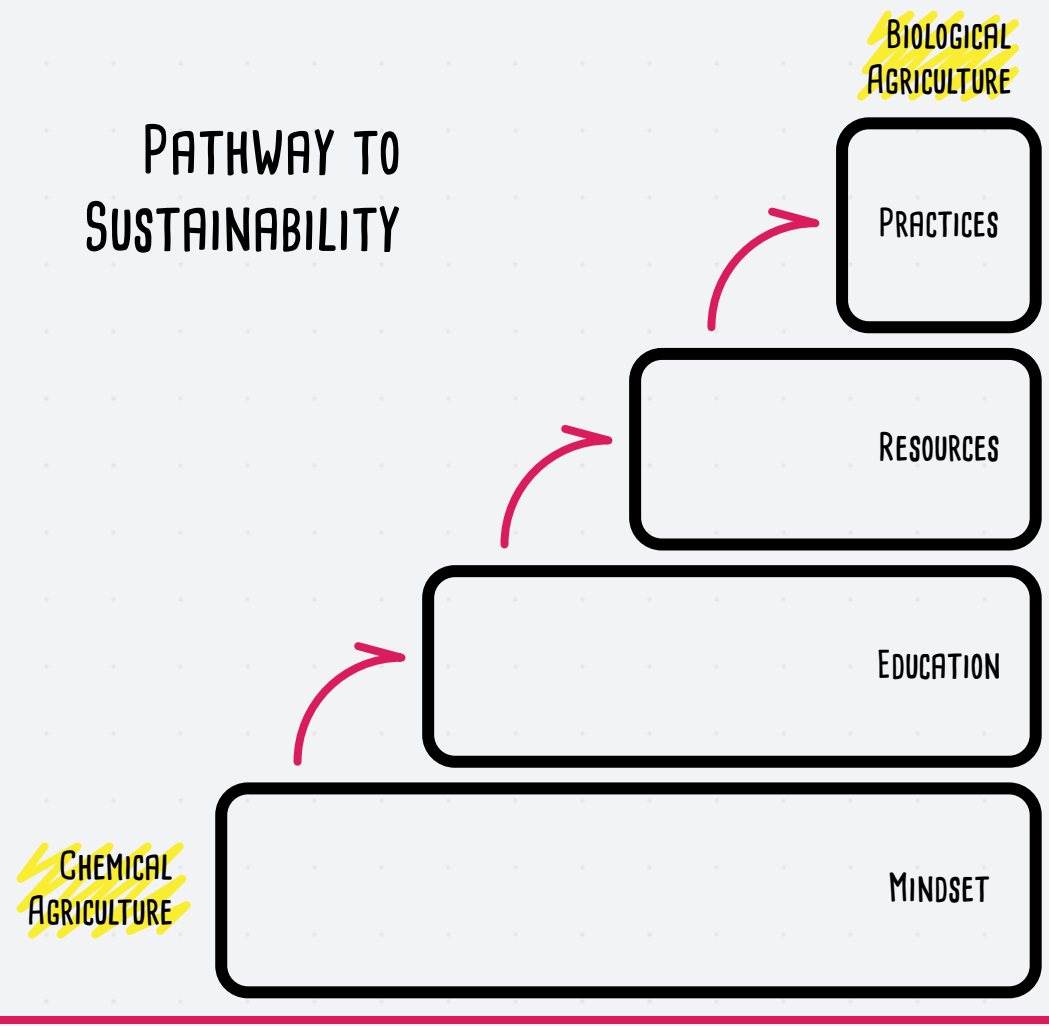


# BIOLOGICAL AGRICULTURE: FARMING EVOLUTION

The key steps in the transition from chemical  
agriculture to sustainable biological agriculture.

by Richard Leask

PATHWAY TO  
SUSTAINABILITY



"Only changes in mindset can extend the  
frontiers of the possible"  
  
Winston Churchill



We are at a fork in the road of modern agriculture. The industrialisation of agriculture has seen immense benefits, but we have created a chemical reliant system that is now unsustainable. Fungicide resistance, soil contamination, nutrient lockup and unavailability in soils, degradation of soil organic matter and biology, and rising fertiliser costs all threaten the sustainability of our farming enterprises.

Biological agriculture will be the saviour of farming and the planet. Naturally occurring microbes have shown the ability to:

- increase soil organic matter and water holding capacity
- sequester carbon from the atmosphere
- unlock nutrients from the soil and make them plant available
- control plant pests and diseases
- increase crop productivity.

Many microbes have multisite activity, making their potential cost benefit to farm enterprises enormous.

The development and commercial availability of these microbial products is growing rapidly with a compound annual growth rate of 12 to 13%. It's a market that's projected to have a value of US\$ 11 billion by 2022. Its development has been driven by a swing towards organic methods across all farming sectors. In the wine industry, the 2014 Australian

Organic Report (AOR) showed farm gate value for organic grapes was \$54.5 million, up from \$23.13 million in 2012. The yearly growth since 2012 was 29%. The potential of biological agriculture is now easier to realise, and while this is good news, the 2017 AOR shows that organic grape production still only represents 8% of the total Australian wine grape crush... So, why isn't there a stampede towards biological farming methods?

Why do we baulk at making the change to our farming system? Change is hard; we tend to follow tradition - what we know. Sometimes we simply just don't know where to start. I believe there are four key steps to a successful transition from chemical reliant agriculture to a sustainable biological agriculture future: changing our MINDSET, continuing our EDUCATION, monitoring our RESOURCES, and experimenting with our PRACTICES.

Mindset

Shifting mindset is the most important step in the transition phase. It is where our beliefs about what agriculture looks like and should be are challenged. It is a paradigm shift in thinking that leaves farmers feeling:

- isolated from their peers
- confronted with a lack of knowledge
- confused about how to progress to the next step.

A new perspective takes us away from tradition and puts us in the minority. We must be very clear on:

- what we are trying to achieve
- when we are going to do it
- how we are going to get there.

The answers to these questions give us purpose and direction. Without this clarity, we will be easily pulled off course by the many challenges we will





face along the way. It is our belief system that will continue to drive us, without it we will fall back to our traditional habits.

### Education

Education can shape our MINDSET. Seminars, guest speakers, articles or inspirational colleagues can change our thinking. These sources of insight give us the building blocks for our new MINDSET. Education builds a framework of knowledge around our new beliefs. It helps to quell the unknown and drives us towards progress. Focussing on education gives us the chance to ask ourselves:

- what are we currently doing?
- what do we need to replace?
- where do we access this from?
- who are the experts in the field?

New information guides us, and helps us to determine HOW we are going to make change. From a place of greater understanding we're now ready to articulate our intent to our staff and our stakeholders. We can tell them what we're trying to achieve, and how we're going to get there.

### Resources

Only when we have a clear direction (MINDSET) and sufficient knowledge (EDUCATION) can we properly RESOURCE our business for the move towards sustainability. Once this is the case, we need to make capital investment into our new MINDSET, by considering the acquisition of:

- new equipment
- new staff
- new infrastructure.

We will know what we need from our EDUCATION phase. RESOURCE well and we make progress, and

our change becomes permanent. Do it poorly and we lose belief in our new MINDSET, get pulled off track, and question our purpose.

### Practises

The PRACTISE phase is where we go out and do. This is the culmination of our change and, if we have been following this pathway to sustainability, it will feel comfortable and normal. It shouldn't feel cataclysmic, because:

- we are clear on our purpose and direction, on our MINDSET
- we can measure and understand our progress thanks to our EDUCATION
- we have the RESOURCES to make it happen.

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*Change is inevitable and,  
for the survival of farming,  
it is essential.*

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Biological agriculture has the potential to further enhance the quality and reputation of Australian wine. The successful transition to biological agriculture, from practices reliant on chemicals, is down to the systems we put in place. As winegrowers we have only 40 vintages to make our mark on the Australian wine landscape. Now is the time to follow the path, and make the change.







# LADDER OF DEVELOPMENT

How scientific principles can help  
you refine your business.

by Wes Pearson



Experimentation is a technique most of us use to refine our businesses and the products our businesses create. However these experiments are not always as well conceived as they could be, and can produce unclear or even incorrect results that can negatively affect your bottom line. By taking a more rigorous and scientific approach, we can be more productive with our in-house experiments and make better, more-informed decisions.

There are as many options for experimentation as there are wines: winemaking techniques, additives, machinery, viticulture, process optimisation, etc. Think of a question you'd like answered, then follow the steps up the ladder.

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*The first step is to take your question and turn it into a hypothesis that you then try to prove to be valid.*

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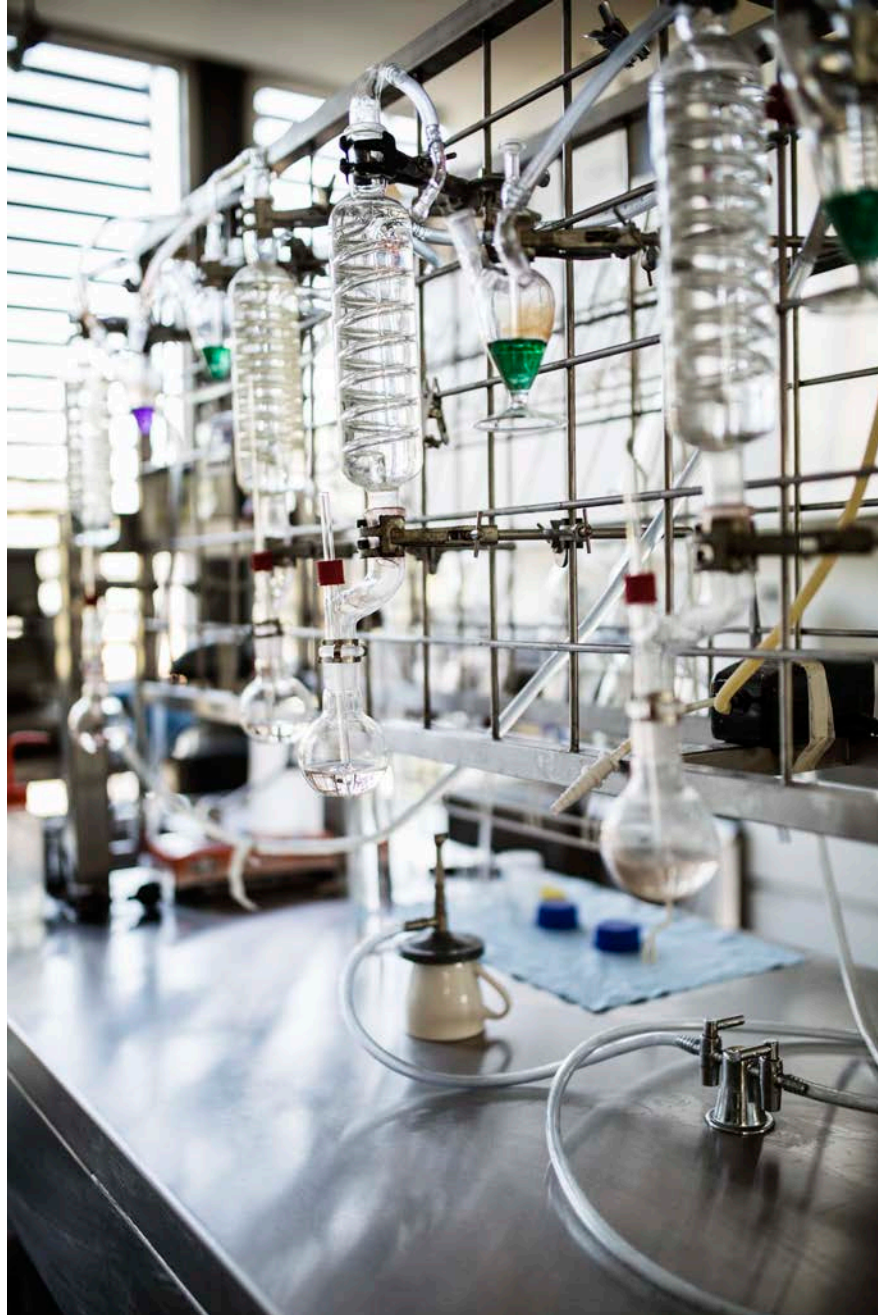
The second rung in the ladder is experimental design. The main goal with your design is to produce an experiment that yields valid results, meaning results that are reliable and repeatable. A traditional experiment takes a suite of controllable factors and

changes one (in one or more ways) to see how that changes the final result. The first and most important question to consider is what factors can/must be controlled and which factor will be the variable. The more factors you can't control, the more difficult it is for your experiment to yield trustworthy results, so you'll need to be realistic about your capabilities. If you can't fully trust the results of your experiment, it's a waste of your time and resources.

A good example of easily controlled factors would be climate, soil and nutrient availability in a pruning trial. It would be a reasonable assumption that they are, for the most part, the same for an entire vineyard. Therefore, it is realistic to say that we can effectively have one factor that we vary and then we can control the rest. As mentioned, the experiment needs to be repeatable to yield results that we can trust, so take this into account when planning your trial. By replicating the experiment multiple times, you can get reliability and repeatability.

Using the above example, we wouldn't just have one row of vines where we performed our treatment, we might have three rows randomly selected throughout the vineyard. Now this isn't always going to be possible with every experiment or trial you want to run in your winery or your vineyard, but understanding these principles and the benefits of setting up your trials this way is an important detail. The more rigorous and thorough we are in the experimental design, the more we can trust our results.

On the fourth rung of the ladder, our experiment is complete and we can analyse the results. When it comes to analysing experiments with wine, you can usually focus on just analysing the sensory changes. And as most of us have senses, finding some people to help you do this should be easy. However, just like



with our experimental design, understanding a few basic concepts can make this part of the experiment less complicated.

The most important thing to remember is that bias is an extremely powerful factor, and that you need to do everything you can to minimise/eliminate it from the analysis. This means that samples need to be presented blind at the very least, or double blind if possible (where the test administrator also has no prior knowledge of what samples are what). Often a simple difference or triangle test, when performed correctly, will tell you if your control is different to your treatment.

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A triangle test involves three glasses and two wines. The wines are poured into the same type of glass, each marked with a random three-digit code with the same volume poured into each. Two glasses of one wine are poured along with one glass of the other wine, and all three wines are presented to a judge. The judge is asked to smell and taste all three, and select the wine that is different to the other two. Based on how many of your judges can correctly identify the different wine above chance (as 33% of the time a judge will randomly select the correct wine), and using statistical tables that can be readily found on

the internet, we can say with some certainty that there is or is not a difference between the treatment and the control. If we keep in mind the power of bias and the benefits of objective assessment, we should be able to make sound deductions from the sensory assessment of the experimental wines.

At the top of the ladder we can interpret the results. Here we can examine the validity of our hypothesis, and make educated decisions about how something we might want to incorporate into our business will work. At the end of the day, that is what we're trying to do in all facets of our business – make better, more informed decisions that lead to positive outcomes.



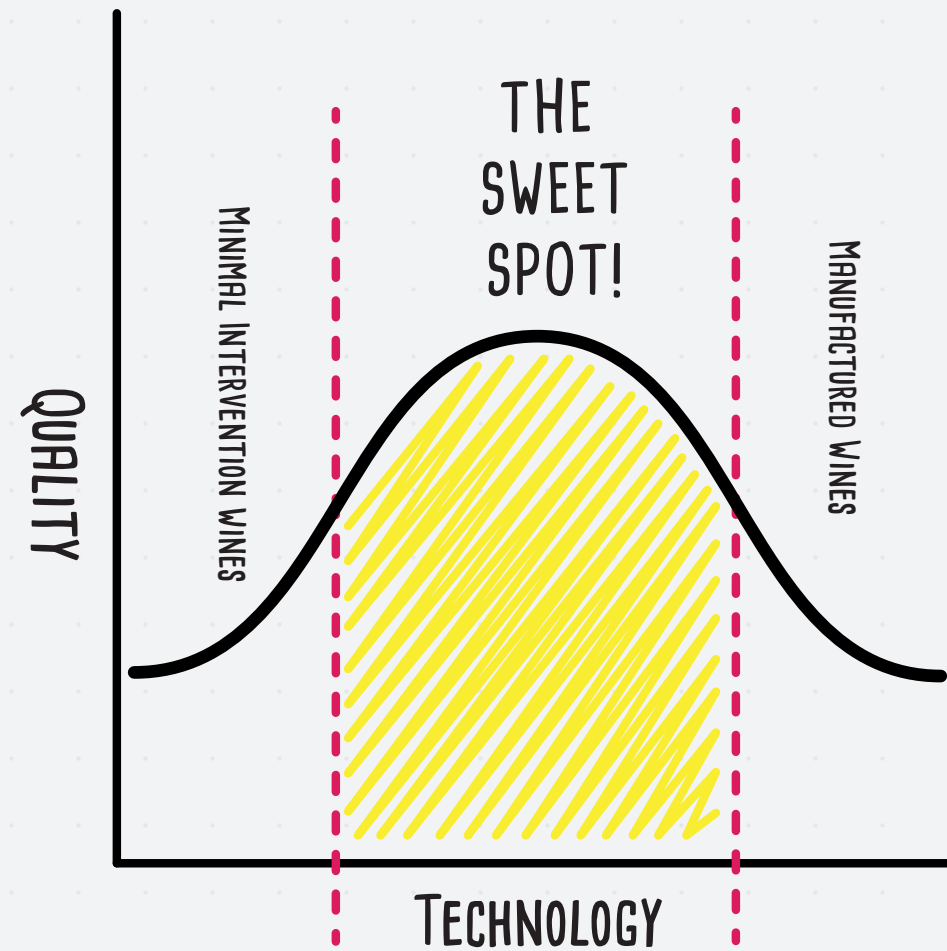




# THE SWEET SPOT

The Goldilocks Vintage:  
using tech to make wine that's just right.

by Gwyn Olsen



Technology can be a friend or foe to the modern-day winemaker. At both ends of the spectrum wines are produced using opposite amounts of technology however both resulting in producing wines of lower quality comparative to using some technology in the winemaking process.

On the far end of the technology scale exists the manufactured wines. These wines are made utilising heavy manipulation technology such as reverse osmosis, spinning cone, dealcoholisation and addition of crystalline colour<sup>i</sup>. These wines are so heavily manipulated that the production technology has rendered them indiscriminate of place, time or even variety reducing the overall quality significantly. These wines are at the mercy of technology and detract from showcasing the rich diversity of region, variety and climate that should be celebrated in the Australian wine industry.

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*These wines are so heavily manipulated that the production technology has rendered them indiscriminate of place, time or even variety...*

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At the other end of the spectrum ‘wines of minimal intervention’ or ‘natural wines’ as they are more commonly known, are made largely without the aid of technology. These wines are produced without using methods or additives including fining agents, stabilisation or filtration<sup>ii</sup>. This generally leads to wines which exhibit a higher level of volatile acidity, have spoilage yeasts such as brettanomyces or mousiness, are cloudy or have a spritz, all of which lowers quality. This reduction in technology used to produce these wines has the net effect of the wines all tasting very similar and it being difficult to determine their region, vintage and in some instances, variety. As David Gleave MW said ‘it is important to me that a wine express the character of the grape and the place in which it is grown. Almost all natural wines that I have tasted have this expression marred by one fault or another.’<sup>iii</sup>

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*The highest quality wines in Australia are produced in wineries using some technology to enhance the process, but not allowing technology to dictate the wine, or detract from the overall quality.*

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The highest quality wines in Australia are produced in wineries using some technology to enhance the process, but not allowing technology to dictate the wine, or detract from the overall quality. This ‘sweet spot’ of high quality and mid-range technology allows the winemaking to highlight and promote





the quality of the grape, region and vintage. Technologies such as refrigeration to preserve fruit quality and control fermentation, moderate use of fining agents such as casein or egg white to remove excessive phenolics and small amounts of additions such as tartaric acid and sulphur to enhance flavour and help reduce microbial spoilage. When used sparingly with a deft hand, these additions and processes allow the wines to express their true sense of variety, place and vintage whilst enhancing their drink ability and deliciousness.

These winemakers are employing technology techniques which allow them to refine their styles and to enhance the natural fruit characters which in turn, leads to higher quality wines that are free from faults and showcase the region, vintage and variety of these wines.

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*Even the best chefs in the word utilise some technology to turn the best piece of beef into an even better steak.*

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Even the best chefs in the world utilise some technology to turn the best piece of beef into an even better steak. When the butchered beef arrives at the restaurant, this beef has been refrigerated to ensure no spoilage occurs and that quality remains paramount. The chef will expertly trim the piece of beef from any unwanted fat or sinew, and then season the beef with salt to ensure balance and enhancement of flavour. This salt is never sourced from the same paddock as the beef has been grown in, yet it's use is never called into question. Why is it that a small amount of fining (akin to trimming the beef) or a small amount of added acid (the same as adding salt) in wine treated

with such disdain? The beef still showcases heritage of where it has come from and the flavour and texture is still true to itself and subtly enhanced, not detracted from. Is using a small amount of technology in the same method in winemaking not the same?

We should all be searching for wines that are delicious. Wines with texture. A story. A sense of place. Wines which are grown with respect of the land and a mind to produce better fruit and resulting wines from healthy, balanced vineyards. Wineries should be producing wines that highlight and showcase this. Drink the wines you love, but seek out the good ones. Stop limiting yourselves and those around you to one small part of the wider winemaking model.

*i. Crystal purple grape and crystal red grape additives <http://www.sjvconc.com/Natural-Colors/Color-Shades.asp>*

*ii. Wregg, Doug; Legeron MW, Isabelle; Havery, David; Waldin, Monty; Woolf, Simon. Natural Wine Charter. DECANter Magazine. May 10 2017 <http://www.decanter.com/learn/advice/what-is-natural-wine-ask-decanter-368773/>*

*iii. Legeron MW, Isabelle. How to Understand Natural Wine. DECANter Magazine. August 26 2011. <http://www.decanter.com/learn/natural-wines-1-246035/>*

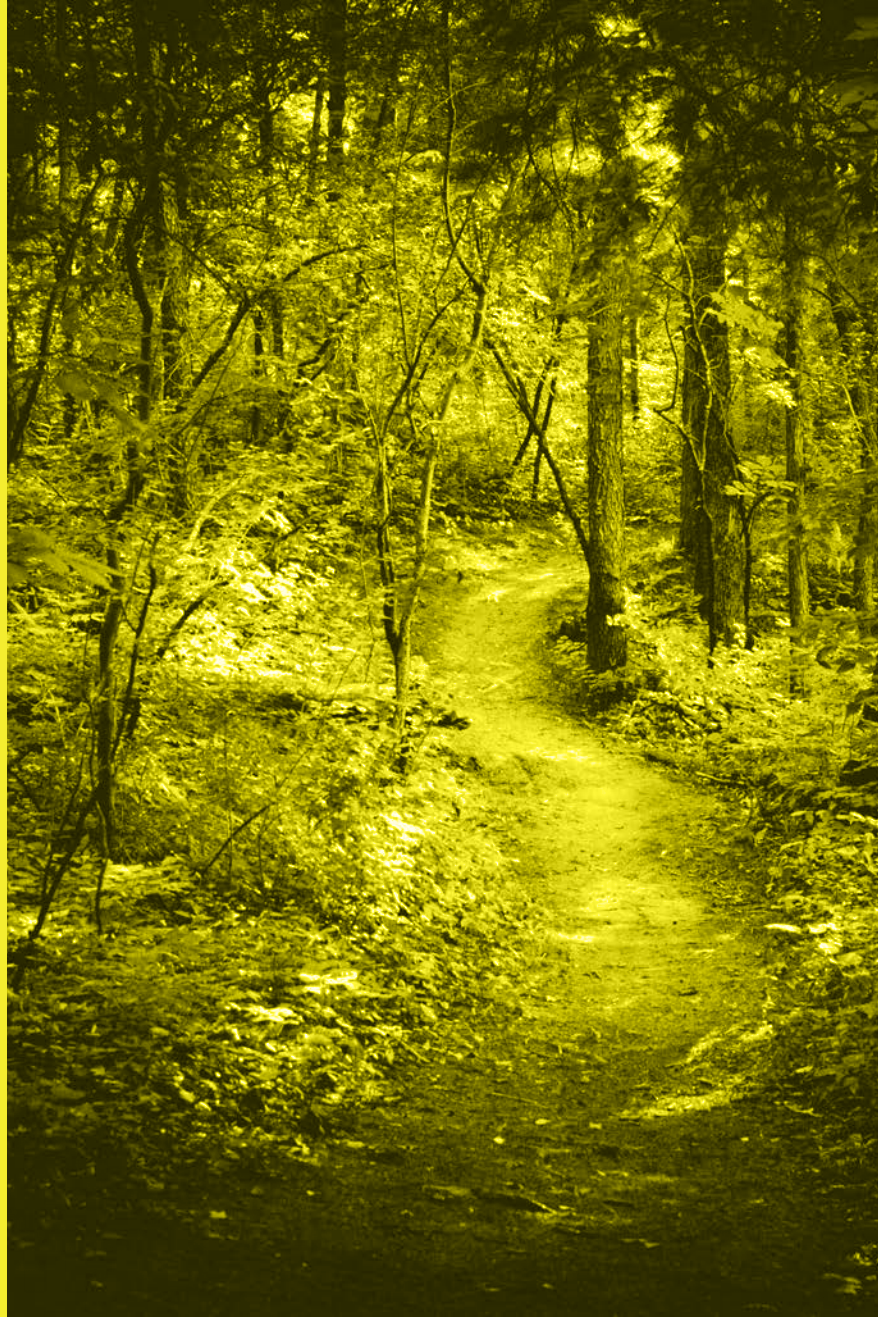




# MARKETING AND BRAND



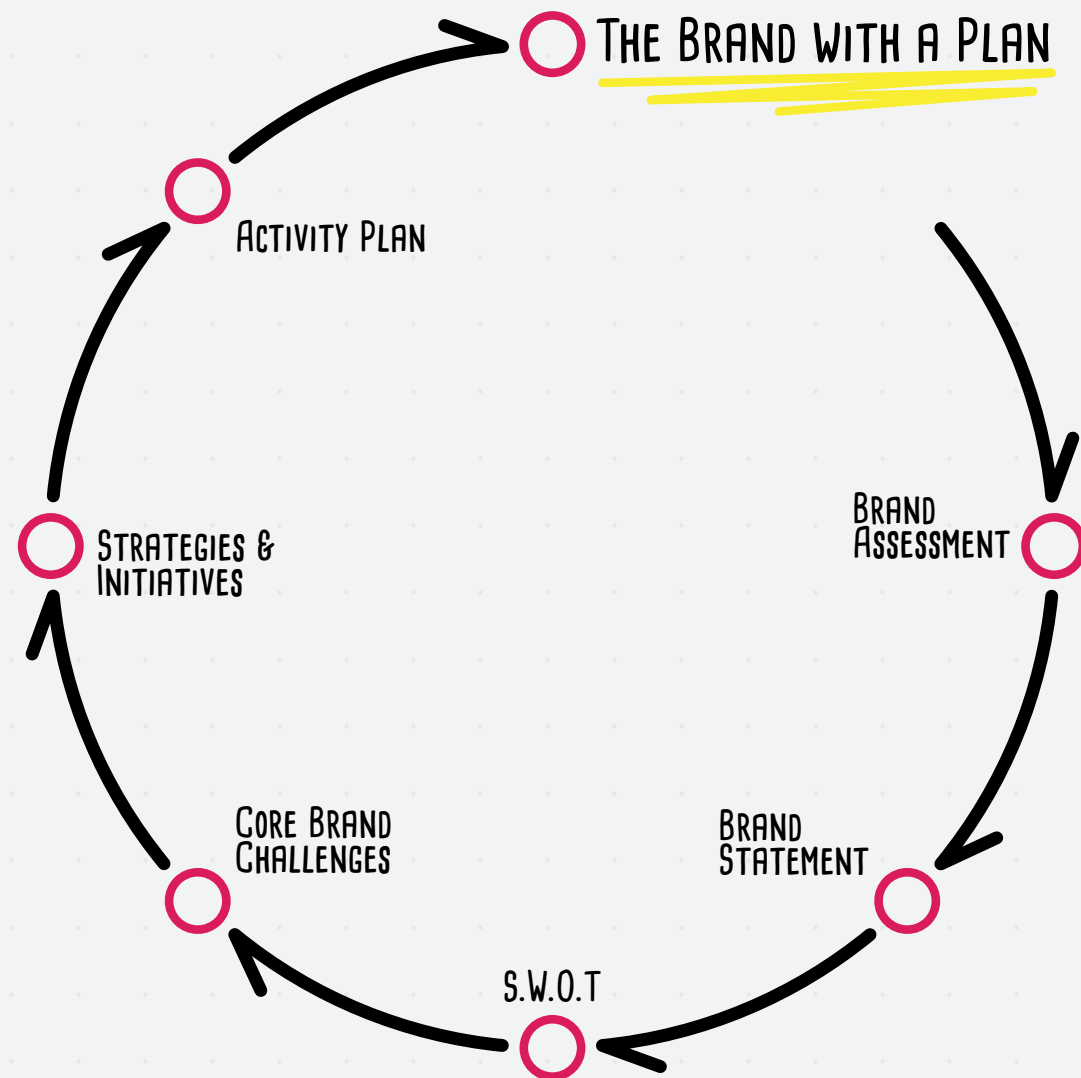




# THE BRAND WITH A PLAN

Take the six steps to brand success.

by Claire Doughty



*This six-step brand planning model is designed to guide you through the planning process. Understanding the core steps involved, and how to approach each stage, will give your team the confidence to tackle the plan, and will facilitate the creation of an effective brand marketing program.*



While we all know of brands that muddle through and survive, high performance brands practise discipline; they are methodical in their approach to planning, and succeed as a result.

I have managed brands within teams that do plan, and teams that don't. My experience tells me that a brand has a propensity to achieve its big hairy goal when a clear strategy is in place, rather than figuring it out along the way.

*'If you know from whence you came, there are absolutely no limitations to where you can go.'*

*- James Arthur Baldwin -*

It's natural to feel overwhelmed at the start of this process, however with the right brand plan template you can trust in the process and learn that following these designated steps is productive. It enables the right questions to be asked at the right stage of brand thinking, and this helps you arrive at the picture of success for your brand and how to achieve it.

*'A goal without a plan is just a wish.'*

*- Antoine de Saint-Exupéry -*

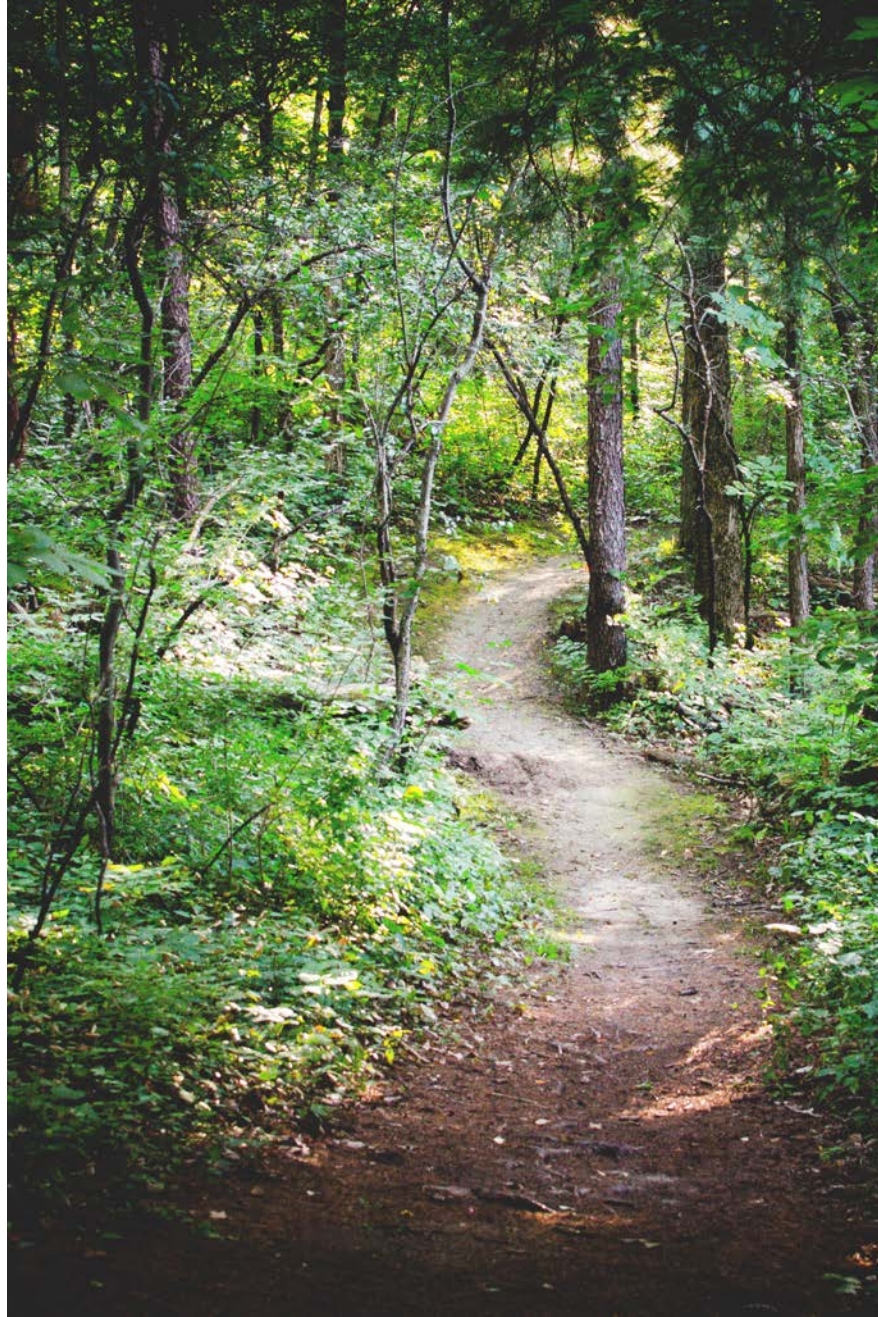
**Step one** is the **brand assessment**. This is the reality check that sets the scene for the plan to come; it involves reflecting on what has previously happened and provides a summary of the good, the bad and the ugly. Start by asking: what is working and not working for your brand? What should you continue doing and what should you stop? How healthy is your brand compared with your competition? What could you be doing better? From here, you gain insight that will start stimulating ideas.

**Step two** is the **brand statement**. This is your brand platform. It's where you create a vision and essence for the brand, then identify your target consumer, price position and major brand objectives.

Of utmost importance is the brand vision. A strong, actionable vision will place your brand on the path for success. A strong brand vision is realistic, yet optimistic enough to hope for a better future. It describes where you are moving from, where you are going to, and by what means you are going to get there. Ask yourself, does it talk about what your brand will look like in 10 years from now? Does it have purpose? Does it represent a challenge worth going after?

While the vision is where you want to go, objectives are the footsteps you have identified to take you there. Without objectives, your vision will never become a reality.





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*‘An archer cannot hit the bullseye if he doesn’t know where the target is.’*

*- Anonymous -*

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As part of the brand statement, you need to profile your target consumer. Identifying your target market is based on the principle that your offering and your audience are highly interdependent. Yet without the budget to commission research or the confidence to tackle it yourself, profiling and understanding the consumer is often overlooked. You must find a way to gain consumer insights, as consumers are the source of your brand’s growth. Research on a shoestring may mean talking to staff and customers, analysing your database members or simply asking questions at your cellar door.

The brand statement you create becomes the blueprint for your brand. At this point, it is time for **step three** – a deep dive **SWOT** analysis. This is a detailed examination of internal forces in the form of strengths (S) and weaknesses (W) and external forces that represent opportunities (O) and threats (T) in your growth trajectory. The more specifically you can define your market and competition, the more enlightening this exercise will be. With the SWOT complete, you will have a comprehensive understanding of your brand and a good feel for its position and performance in the marketplace.

From here, you are ready to initiate **step four**, which is to formally identify **core brand challenges** and consider how to overcome these so you can achieve your brand objectives and ultimately success. Examples are: brand awareness is low; limited distribution points; brand health is weak. List, then prioritise.

Once you have these listed, you can apply strategies and initiatives to each challenge as a way of providing a solution. This is **step five**. Create a table starting with the challenges, then work through the **strategies and initiatives**. For example, to address low brand awareness, your approach potentially becomes to build brand awareness (strategy) through an integrated communications plan (initiative). PR, social media, advertising and promotion become important elements to address this brand challenge. Lastly, remember to detail how you will measure success.

The finale, **step six**, is to put these initiatives into an **activity plan**. I recommend a simple calendar as a one-page view of brand actions for the year ahead.

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*...your brand plan is your roadmap and it should guide all brand behaviour and communication...*

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Above all, remember that your brand plan is your roadmap and it should guide all brand behaviour and communication, with the ultimate aim to ensure relevant conversations and promotion with your target consumer. It also engenders confidence in your business that you have a brand with a plan, and ultimately a strategy for success.





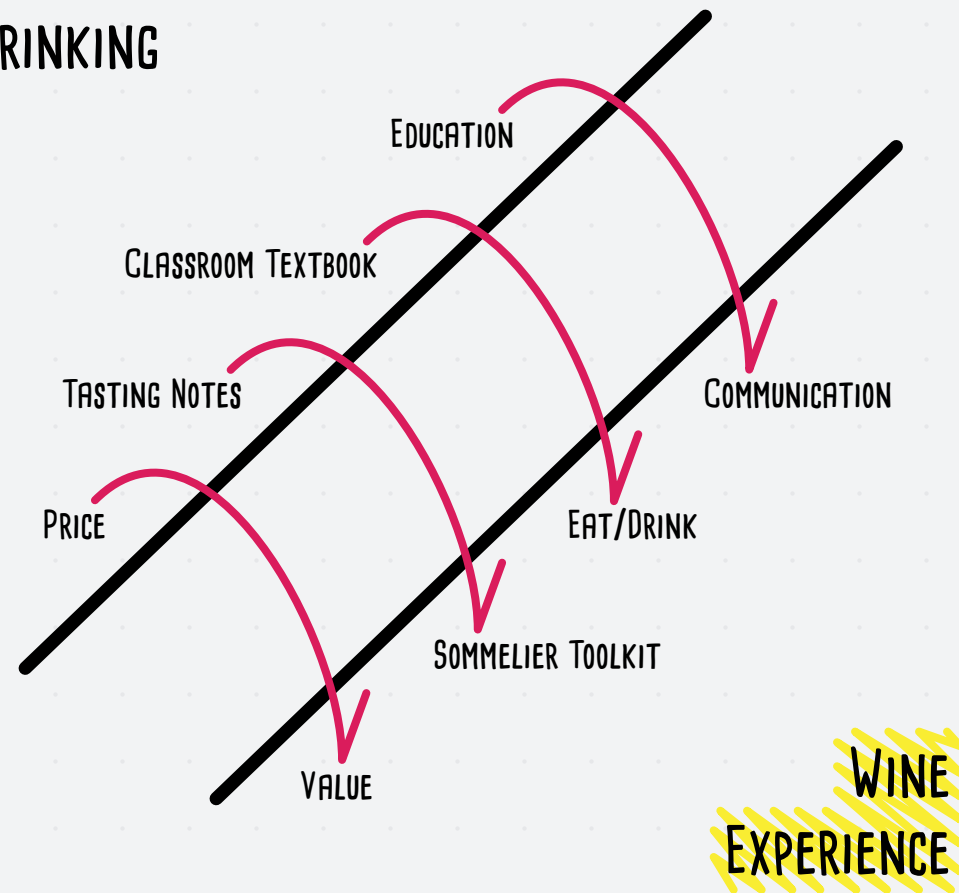
# GO WITH YOUR GUT

Wine, food and the future.

by Chris Morrison



# WINE DRINKING



*Food, cooking, dining and entertaining are currently reshaping the perception of wine quality and value for wine drinkers. It is an exciting, immersive and accessible gateway into wine for those to whom a glass of wine has always represented anxiety and apprehension.*



Most people are eaters first and drinkers second, so to me, it makes sense to use food to unlock wine. Just think, when was the last time you threw a ‘wine party’? You know, cracked open a pile of wines, sat back and studied aroma, flavour, regionalism, and winemaking in a considered and detailed way. Then ask yourself, when was the last time you hosted or were a guest at a dinner party, where food, company, music, and setting were complemented by wine?

The food revolution has presented the wine industry with an amazing opportunity to connect people with their product in a richer and more meaningful way. To survive the future, the Australian wine industry must begin to move away from a price-driven/transaction based relationship with drinkers. The legacy of Masterchef, the celebrity and influence of chefs, and the subsequent importance that we are placing on the story, source, and health benefits of what we eat has changed how we shop for, purchase, and drink wine. The reality that Australians can and will learn more about wine in the context of cooking and dining is finally here and Australian wine cannot be passive. In 2014, Tourism Australia launched a new marketing platform to the world. ‘Restaurant Australia’ was created to ‘reshape’ the way the world viewed Australia’s dining culture. It brought over 250 of the planet’s most influential food, wine and tourism operators to Australia and has generated a new image of Australia as a global dining destination. Restaurant

Australia has been seen by an estimated audience of 6.1 billion people since 2014. Wine in Australia has operated in a vacuum, and is often discussed in isolation, without the context of food. Restaurant Australia and the World’s 50 Best Restaurants awards held in Melbourne this year are starting to close the gap between our food and wine cultures and make them a single, very powerful conversation. Nearly every single glass of wine in a restaurant or wine bar will be with food.

*...close the gap between our food and wine cultures and make them a single, very powerful conversation.*

We need to stop being score-medal-critique-centric in our dialogue with drinkers and diners, and re-design the way talk about wine. Food can unlock wine. Just as the tools, techniques and skills of the chef have been translated into to an easily digestible format, so too can the approach and toolkit of a sommelier be integrated into the lifestyle and living habits of everyday drinkers. While the word sommelier conjures up images of waistcoated-wankers bristling with vinous superiority, the tools of the sommelier’s trade can actually help unlock a whole new understanding and appreciation of wine. The sommelier is the only role in the world whose primary remit is to bring food and wine together in a single gastronomic experience, effectively making  $1 + 1 = 3$ . The democratization of dining has not just shifted goal posts but redrawn the boundaries that frame how we eat and drink. No more defaulting to class system stereotypes proliferated by classicism and fine dining. Restaurants and wine bars are the new social rituals for Australians of all tastes





and tax brackets and sommeliers sit squarely at the intersection between the wine maker, their wines, and the eventual consumer.

So, where do we begin? It's time to 'flip the script' when it comes to the 'trade' - meaning restaurants, chefs and importantly, sommeliers. For years wineries and winemakers have been using a top down or 'influencing the influencer' approach. It's time to focus on the diner, their customer. Sommeliers and restaurateurs should not be gatekeepers, but guides and translators who can open up the world of wine and remove the barriers for new and curious wine drinkers. This approach requires a new language that focuses on communication not education, that delivers a wine 'experience' not just a wine bottle.

## 1. Language

No scores, medals, or ratings. Instead we should consider storylines, narratives, and a language that's wine and food-centric, compiled by the wine community in partnership with sommeliers and chefs. How we talk is as important as who we talk to.

## 2. Communication

Taking the sommelier skill set in the world and turning into a user-friendly tool kit for the diner and drinker to use not only in their favourite wine bar or restaurant but in their own home too. We need more collaboration at a strategic level with the food and hospitality industry, not just activation

## 3. People

We need to 'flip the script' and rethink the traditional ways of engaging 'trade'. It should be the Australian

wine industry building a platform that shows drinkers that restaurants, food, chefs and sommeliers make wine fun and immersive, not intimidating.

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*...if you want to know how we  
will be drinking tomorrow, look  
at how we are eating today.*

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The greatest challenge is for us to realise that the questions we have about the future of wine in Australia, can't be answered by Australian wine alone. In the wine experience, wine plays a small but vital role. We are a country where food leads wine. Simply put, if you want to know how we will be drinking tomorrow, look at how we are eating today. At the Australian dining table part of the most important conversation about what makes the food and wine of our country unique. This is where that moment when a bottle is opened and poured becomes truly memorable. The Australian wine industry's moment to be part of this new and exciting dialogue has arrived.

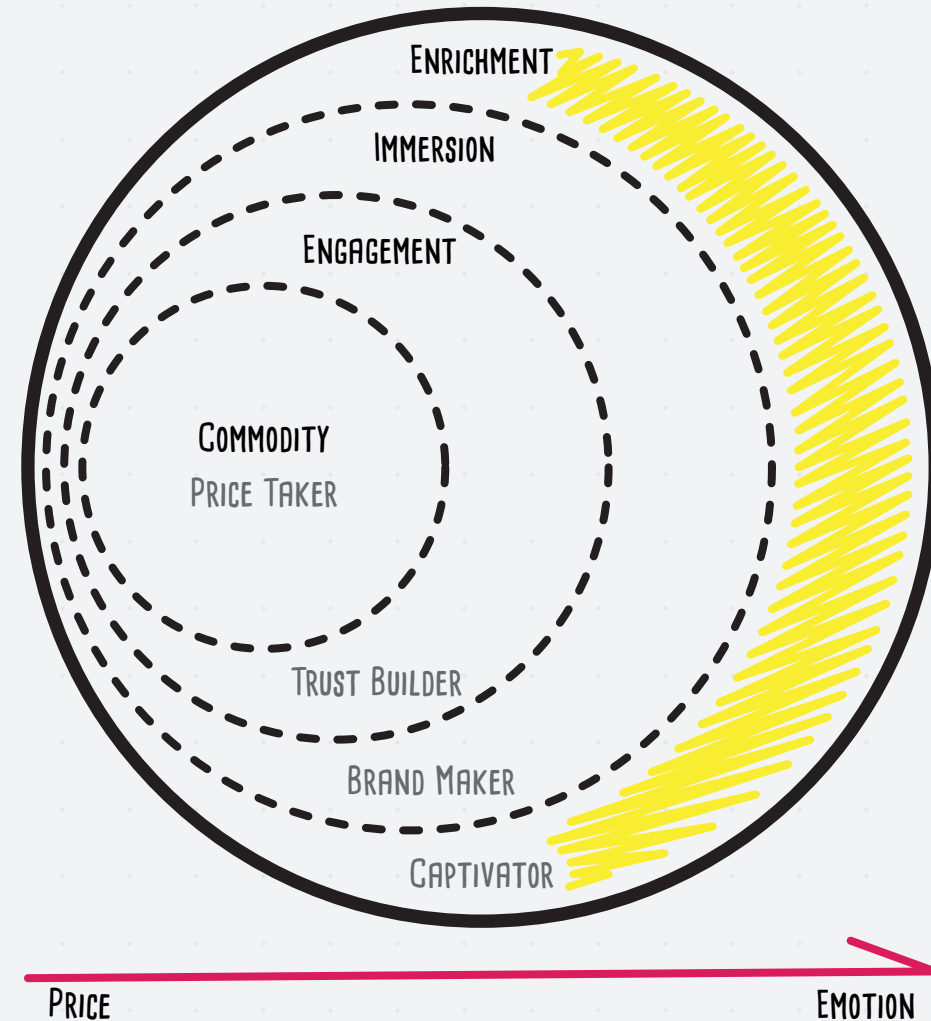




# BRAND ALCHEMY FOR A BEWITCHING WINE BUSINESS

The alchemy-power of adding value;  
to make the wines we drink, wines we love.

by Shirley Fraser



*Value adding provides something of low cost to you, of high value to your customer. Break out of being a price taker by building trust and engagement. Create a brand with immersion into your stories, provenance and inside knowledge. Then captivate for the long term by enriching the experience and connection for brand intimacy.*



**G**rasping the magic of your business unlocks opportunity. Alchemy, the philosophical aim to transform a product to something more, to purify, mature or perfect it, sought to turn base metal into gold. The alchemists were part science, part art and part magic, just as winemaking and wine business is today.

Marketing adds power to your entire endeavour. Not simply metal-plating, but the basis for decision-making throughout your route to market. It's the why, the where, the how and the who. Adding value is possible and essential at every stage from grape to glass. Marketing provides the recipe and order of importance, to connect and captivate your customers.

### Price takers: the commodity zone

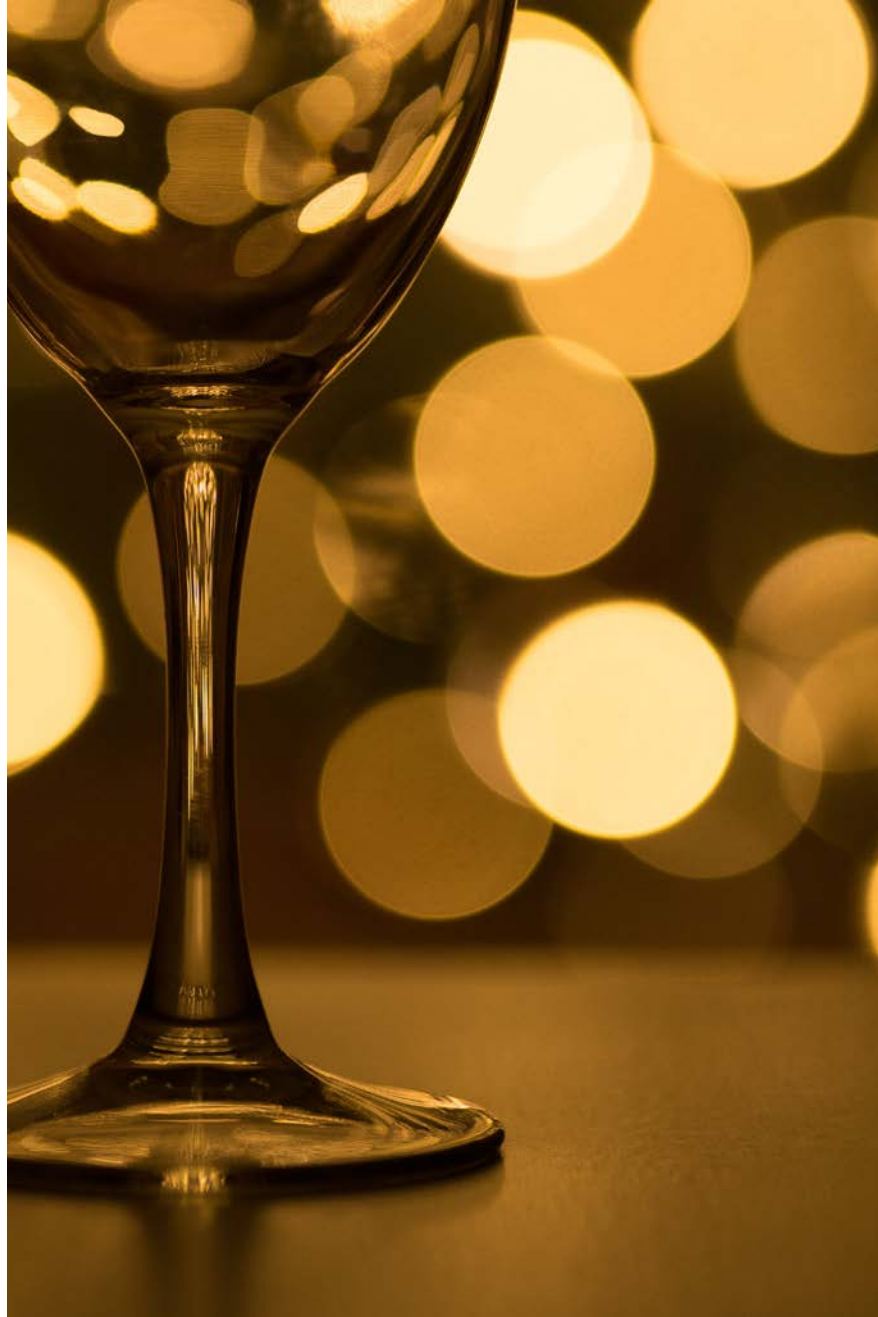
Good marketing helps you know your current worth. Without it, conceding your skill as a producer, (grape grower, winemaker, broker) to be an indistinguishable price taker, hands power to the buyer. It's a race to the bottom in tough times or at best a holding pattern. If you can be replaced by any other, then you have little inherent ability to influence and are easily replaced. Seek to build trust with the market.

### Trust builders: the engagement zone

Creating a logo for your vineyard, or a new wine label, will make you a product, not a brand. The voyage toward brand is mystical and not one to wheel out the one-size-fits-most solution. Asking what you offer, who you can consult and what result you relish, underscores the course of action to take. This relevance is much more powerful than keeping up with latest trends. Adding value is offering something low cost to you that is highly valued by your customer. It is the difference between the base (metal) and a more premium (gold), or a more secure long-term arrangement. It can come from within your existing and intrinsic talents, or be developed. Service, collaboration, education, grant-sourcing and regionality take fragmented thoughts to a diversified engagement. Your genuine connection with your own vision and how that satisfies customer needs, will build trust and deepen your immersion with the next link in your value chain.

*Your genuine connection with your own vision and how that satisfies customer needs, will build trust and deepen your immersion with the next link in your value chain.*





## Brand makers: the immersion zone

“A brand is a living entity – and it is enriched or undermined cumulatively over time, the product of a thousand small gestures.”...Michael Eisner

Your brand expresses the values and culture of your business, how it makes the customer feel and their confidence in that being repeated. Personalise your service, give authenticity to your stories of place, and build awareness for what you stand for. Your customer decides how relevant you are to their needs and what it reflects to others about themselves in choosing you. Experiential branding is product engagement and to immerse in these brand experiences creates meaning and a leaning-in for what you have to say.

Wine as a pleasure product should taste good and make one feel good (or, at least less thirsty). It holds company with conversation, eating, and travel – some of life’s great desires. These notions are a great starting point for any wine, anywhere. So, what makes your style, from your region, captivating to buyers? Immersion into your brand is key to creating a deeper connection, whether they are a consumer, or trade buyer.

## Captivators: the enriched zone

En-rich-ment denotes three key things. EN – a prefix to cause, RICH – abundant wealth, MENT – the resulting state. Building on the richness you have, this state benefits both parties; sustainable profitability to the producer and a higher satisfaction level for consumers. Technology has empowered the individual to seek direct contact with the brand source.

This challenges us to open dialogue, make ourselves available and allow customers access to us (and our properties) like never before. The opportunity to build memories and foster attachment. By every part of your brand offering being enriched consistently, you reflect your set of values of environment, region, level of premiumisation, beauty or insight, for the journey of discovery and innovative differentiation.

‘5 senses of brand’ as outlined by Martin Lindstrom speaks of “powering up brands to deliver a full sensory and emotional experience”. Wine has taste and smell; so, can you make it more, different, personalised and familiar? Does it look distinctive to be recognised and selected again? Is the weight or feel memorable? Whether real or virtual, do you show where the wine comes from? Can customers visit there, sleep there, eat there? Do they belong? How will your consumer fall in love, or lust with you, or will they choose from the thousands willing to try harder at brand intimacy?

Marketing is the catalyst to ask the right questions; clarity is empowering and fortifying. It summarises your values and challenges you to have discipline. To return to these values when making choices across any part of your business, for quick wins or significant long-term investments. The purpose, to build a viable business you are proud to be part of. Use innovation to your benefit, across every facet of your business, enriching the process and connection. A bewitching progression that deepens the bonds in your value chain, for satisfied customers and a more gratifying quest.

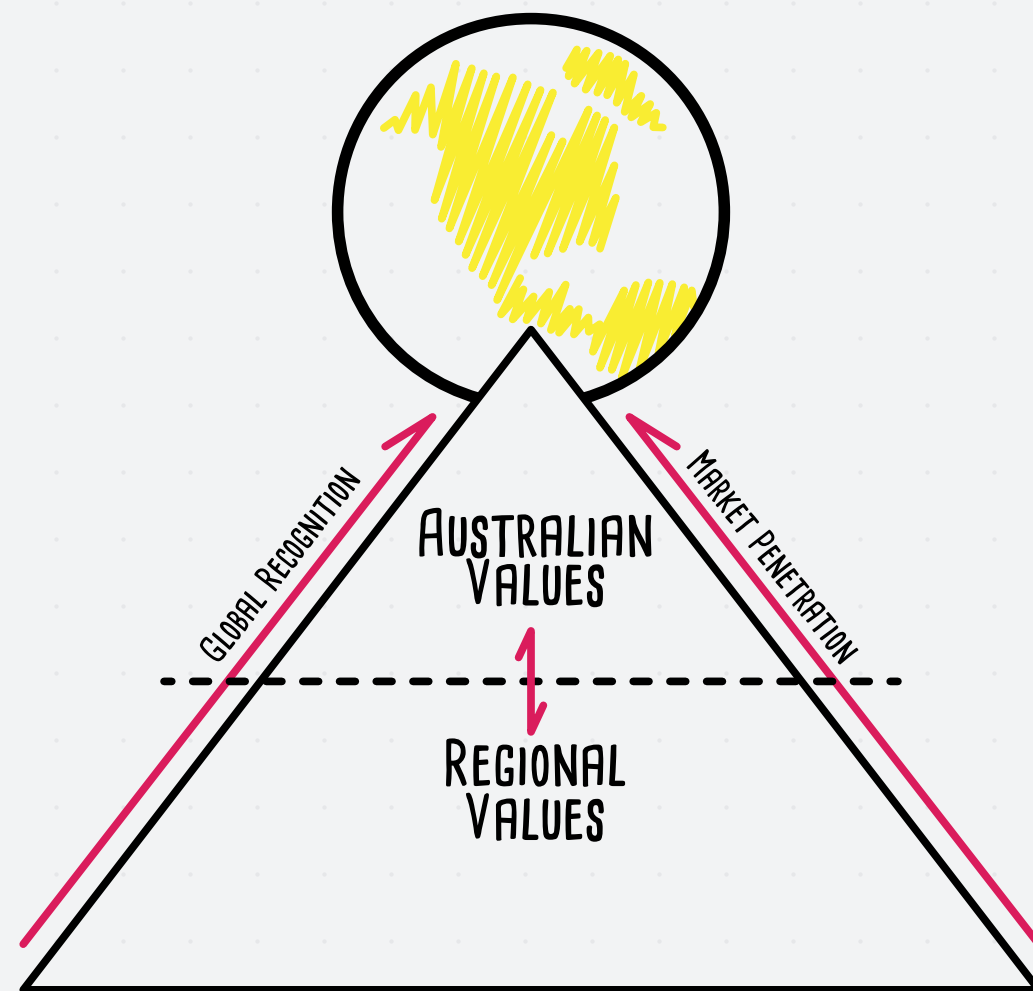




# THE FUTURE OF AUSTRALIAN WINES IN THE USA

How to communicate our evolving Australian image in the USA to enable better market penetration and global recognition at a premium price point.

by Alexia Roberts



During a recent sales trip to the USA I had the opportunity to present our wines to various media personnel, wine trade, and consumers. The wines were incredibly well received, namely for their generosity, value, regionality and authenticity; however in many instances I found myself explaining the region and its values more than the product itself.

Why? Wine buyers can easily identify a great wine. It was the education about the history, identity and stories of the region that most people wanted to learn.

The most recent data from the Wine Australia USA Market Bulletin (July 2017) shows the increasing interest in premium Australian wine. It reports that the value of premium Australian wine (US\$15+ retail) reached a seven year high in 2016, an increase of 58% since 2012. This data signifies an upward trend in sales towards premium price points and thus wines with regionality and expression.

The Australian wine industry needs to work together to redefine our message and help educate American consumers about Australian wines to encourage premiumisation and increase demand at this price point.

## Our Australian values

Most consumers in the USA do not understand the provenance of Australian wine. They still consider Australia to be one large, dry island which produces “sunshine in a glass”, good value for money, or big fruit bomb styles of wine. The message is oversimplified and these wine styles are not our heroes. We need to focus on repositioning our image to better express the evolution of our wines with particular emphasis on the premium wine category and our regional stories and values. Although we have documented growth in this category, the current market share is still extremely small. Identifying our Australian values will help us cement our position in this category and contribute to a further increase in the success of Australian wines.

## Our regional values

As winemakers, we often travel the globe telling stories about our brands and our regions. Between us, the delivery of the communication can be broad but to maximise its effect we need to apply more focus on capturing a clear and concise message. Each Australian wine growing region is distinctively unique due to its climate, soils, varieties, styles and history. If each regional association could collaborate with their producers to identify three to four key regional values that summarise their region, the consumer knowledge and expectations of the region could be easily captured and understood. Identifying our key differences between regions plays an important role in educating our American consumers and thus achieving better market penetration and recognition. Collaboration and delivery of this communication is vital for the future success of our Australian wine brands in this market.





## The message

Australian wine is no longer emerging in the global market. We are recognised as one of the world's greatest wine producing countries and we continually prove this by our success on the global stage in international wine shows or by strong third party endorsements.

Our winemakers are recognised as being diverse, knowledgeable and driven. We have some of the best technical expertise and capability, and most importantly, we have passion. Our wine styles have evolved over the past decade to reflect sites, varietal expression, precision and refinement. Oak is well understood and plays a more supportive role than ever before, and sustainability techniques are well embraced and used by many premium producers.

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*We have some of the  
best technical expertise  
and capability, and most  
importantly, we have passion.*

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If we could articulate the regional values of each of our wine growing regions, the consumer would have increased awareness and recognition of the region and its associated varieties and wine styles. We, as regional producers, need to give consumers the reason to trade up from non-regional wines or even entry level wines from other, less recognised, wine countries. After all, the interest of the consumer will drive the demand for Australian wines if the campaign is powerful enough. This will then encourage wine retailers to revisit their existing Australian categories and prioritise shelf space and positioning.

## The future

The future for Australian wine in the USA is premium-end, high quality wines that express regionality, consistency and authenticity. We need to focus on the heroes of Australia and the communication of the message. The heroes are our regions and we need to identify the key values within these regions that drive our success. If we could accurately deliver this message, the onus is then on the producer to identify their key values and create their own communication regarding identity and focus. Producers can then spend more time and effort on their own stories in the market place.

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*The heroes are our regions  
and we need to identify  
the key values within these  
regions that drive our success.*

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With collaboration between wine producers, regional associations and Wine Australia, we can work towards delivering this message and focussing on a bright and long-lived future in the USA market.

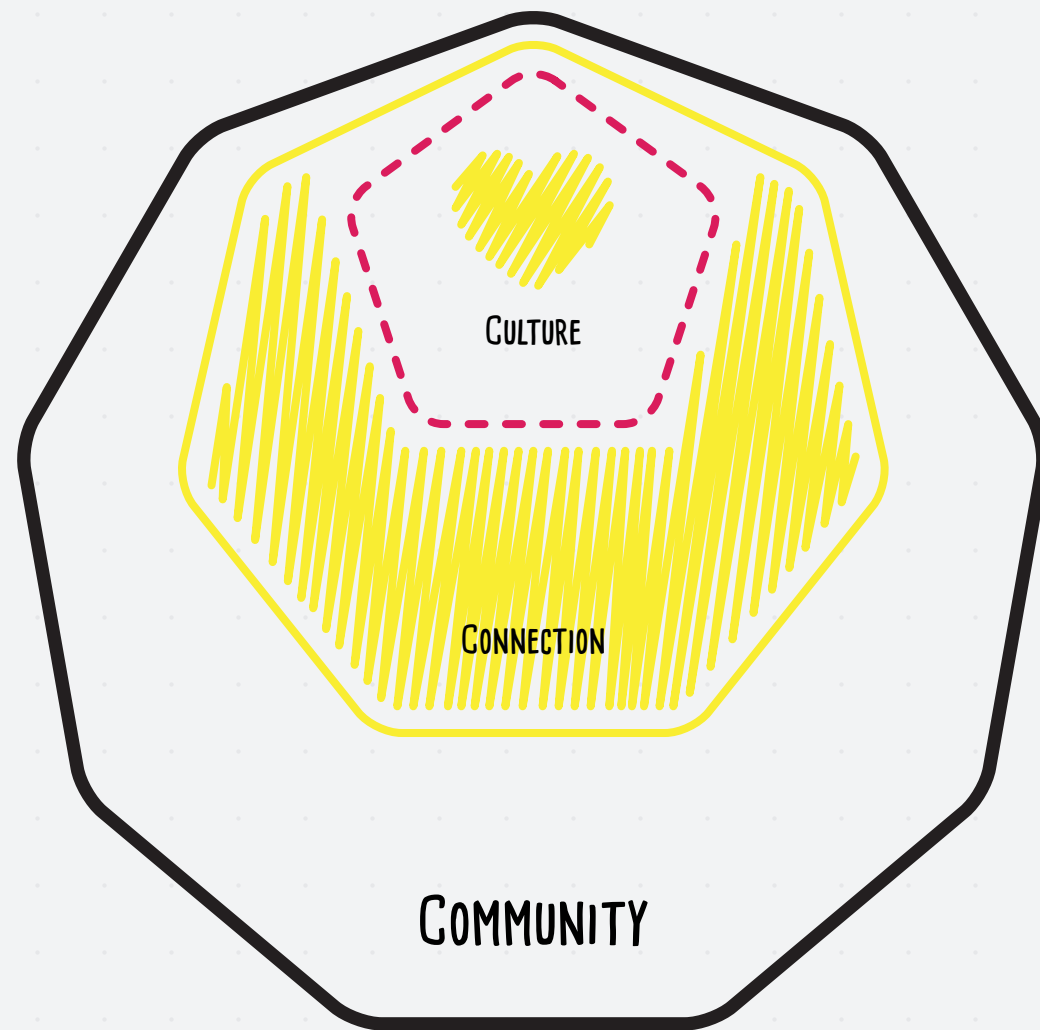




# BRAND LIKE A BLACK SHEEP

Stop following the flock and build your own tribe.

by Mary Hamilton



*Community grows from the effects of culture and connection. It is the tipping point where people choose to be part of a brand stands on an ongoing basis. It is where loyalty and self-appointed brand ambassadorship occurs because people like the brand.*



### 3 Cs of building your own brand

#### Culture

This is where it begins. It is also where real Australian wineries have an advantage over the grocery duopoly concocting fake brands, and the seductive online discount hounds doing daily sell-offs; they are just retailers, rather than creators of authentic nurtured wines.

Like religions, a great culture is steeped in stories. So write them down – all of them! From the foundation story of how your business got started, to what you do that’s unique in your winery. Talk about yourself, because people like to have relationships with people; if they are going to become your fans they need to know who’s leading the pack.

Come up with real values that reflect what’s important to you and what you can deliver on. “We act with integrity” is too broad. “We make sure every wine we produce tastes like the site it came from” is a real value.

Many wineries hold the mistaken belief that they need to be everything to everyone. You don’t! Identify the people who will connect with your vision and excel at looking after them. Otherwise you risk being bland. Be bold with your wine styles, packaging and communication. It’s ok to alienate non-believers, it makes your true believers love you more.

Commit to your culture and you will have a chance of attracting fans that believe in you and are willing to follow.

It has never been more complex and competitive for wineries to sell wine in Australia. Australian wineries face three problems: market saturation, an aggressive grocery duopoly, and the disruption that has been caused by online merchants. Getting people to buy wine from you is one thing; the holy grail is that they become loyal fans.

Marketers are often preoccupied with marketing terminology; consumer life cycle, engagement rate, lifetime value, qualified lead... And while these terms are both practical and useful, they’ve turned many businesses into “white sheep” blindly following marketing models that ignore what matters most – people! We have reduced people to buyers, when what we need to do is connect with them as believers.

Belonging is a fundamental human need, we crave connection.

Brands that understand this transcend from just selling to consumers, to being leaders of brand tribes with devoted fans. We need to create brands that people want to belong to. Many Australian wineries are well placed to do this as they are rich with stories and the authenticity of people creating special things amongst the vines.

If you think brands are created in the marketing department, think again. Your brand is an amplifier for your culture, so start there.





## Connection

Australian wineries that connect with their followers can stand out in a saturated industry. They also have the distinct advantage of showing that they are real people with a personal winemaking philosophy, which the duopoly and online merchants can't.

Using your culture as your launch pad, get out there and be with people who are interested in you. This is their chance to test whether they really like you and want to be part of your tribe.

You can do this in many ways: hosting dinners in cities, running events on your vineyard, or thrilling people by turning up at cellar door. The more you do these things the more they become rituals that people can look forward to. If you can't be there in person make sure you hire people who can be an extension of you and your values.

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*Identify the people who will connect with your vision and excel at looking after them.*

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You can even do it virtually; answer emails from people who have a complaint, send someone who bought lots of your wine a thank you note, be part of a conversation on your social media channel, share your knowledge or a story with them on your website. You will soon rid yourself of the marketing habit of regarding 'people' as a faceless bunch of 'consumers'.

In return, your tribe starts to emerge. They enjoy the kinship of getting together with other people who like your wines. They tell their own stories of how they met you when they share a bottle of your wine with friends.

## Community

There is no manual on how to build a community because it is the sum of the effects of culture and connection. It is the warm welcome they got when they walked into the cellar door; the story about the founder that was shared while they tasted the wines; the connection they made when they looked at the labels and related it back to the story of the founder; the handwritten note they received when their damaged bottle was replaced; the video they received showing how your vines were pruned, the event they went to where they met you.

What you stand for and how you express it is what will build your community. If you do it well the results are not only spectacular for your business' bottom line, but for the human experiences you create. As humans we seek to avoid pain and increase pleasure; great brands understand people and take care of these human drivers.

Building a community is the key to a brand tribe, because people who choose to be part of a community are passionate about their connection and want to be loyal. In turn, they become ambassadors; they defend your brand and willingly go out into the world and advocate on your behalf to their family and friends and expect nothing in return, because you gave them the chance to like you.

If you can build your tribe, you will galvanise yourself against the biggest threats facing you.









