THOUGHT LEADERSHIP

Volume 2

FUTURE LEADERS 2019

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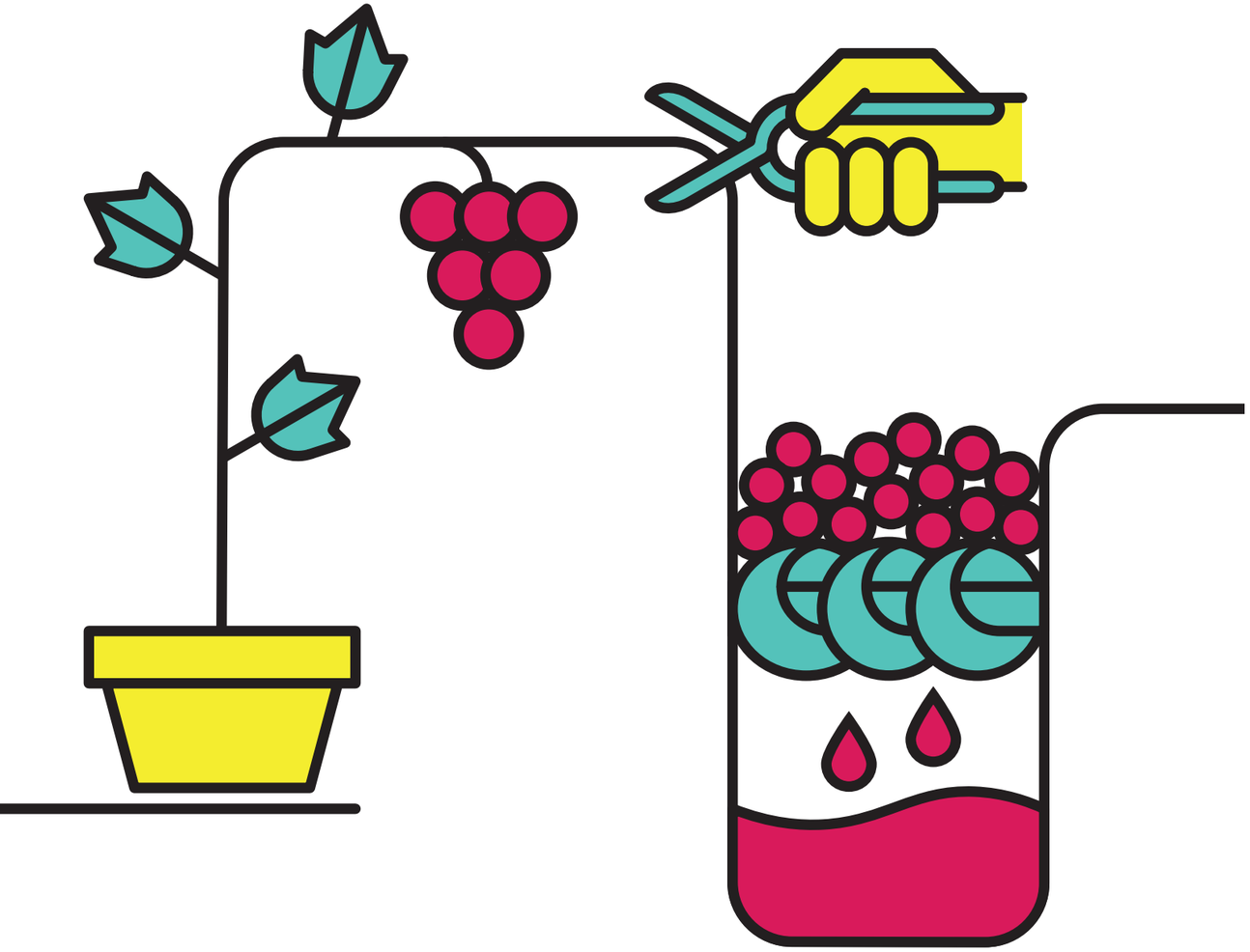

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Future Leaders was launched over a decade ago. The idea was to provide a framework within which a new generation of grape and wine sector leaders could learn new skills, refine existing ones, develop networks and different ways of thinking, and form a nucleus of knowledge and enthusiasm to take the sector forward, in good times and bad. We now have over 100 graduates from the first seven intakes of the program, and today you will find many of them making a major contribution to the future direction of the sector.

If the ideas in this - Thought Leadership Volume 2 - are anything to go by, the future of the sector is in good hands. The pieces in this volume were written by the 15 outstanding individuals from across Australia's grape and wine sector who participated in Future Leaders 2019. Each selected their own topics, based on what they see as pressing issues for the sector.

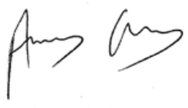
This concept of participants putting their leadership thoughts on paper (even before the program had been completed) originated in 2017 when Wine Australia established a new relationship with our provider partner, Pragmatic Thinking. Pragmatic Thinking's contemporary perspectives and sound evidence-based approach to leadership development, coupled with excellent feedback from the 2017 cohort, paved the way for our continued collaboration and even stronger design for the 2019 program.

We also listened to feedback from alumni and for the first time integrated a Coaching Mastery program within Future Leaders. The opportunity to train interested alumni to be masters in coaching and facilitating their engagement with the current cohort of Future Leaders seemed like a perfectly reasonable aspiration. Harnessing the collective wisdom and expertise of the alumni provided the perfect platform for exploring new ideas and collaborative thinking.

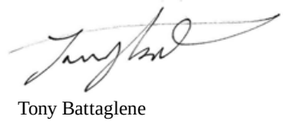
Along with developing a committed coaching relationship between an alumni and their Future Leader we also asked them to work on a 'big idea project', which resulted in a practical outcome. Two teams were formed to discuss and debate an issue or challenge facing the sector. They were tasked with identifying and explaining the problem and thinking critically about an idea to address the problem - exploring the risks, budgets, stakeholders, implementation plan and finally showcasing their idea. It has been a very rewarding process for all concerned.

The Future Leaders program has been funded and coordinated since its inception by Wine Australia with the support of Australian Grape and Wine. In 2019 we welcomed a corporate sponsor to the program – Thomas Elder Consulting, a division of Elders Rural Services Australia Ltd. We thank them for supporting a key education and leadership program and fostering opportunities for closer relationships across agronomy and the grape and wine community.

We hope you'll find them all a good read.



Andreas Clark
Chief Executive Officer
Wine Australia



Tony Battaglene
Chief Executive
Australian Grape and Wine

Something special happens when a group of talented, passionate and curious people come together, committed to developing their leadership in service of an industry. When those same people forge a unique bond over 5 months of intense learning, growth and development, well that's when magic happens.

Like an exceptional wine, the contents of this book are the culmination of a number of carefully curated variables, crafted with care into something quite extraordinary. There have been challenges faced, obstacles hurdled, insights realised and a resounding desire to turn potential into productivity. What you're holding in your hands right now is an insight into this transformational, and at times, deeply personal journey.

It's also an insight into the future of the Australian wine industry from the people who will lead it. The brief we provided was to find your voice, back yourself and share your insights. That's a big ask for people who until now may not have considered themselves thought leaders. From the very first session we ran however, we knew this was a group that was willing to dig deep, tap into potential and work hard to challenge themselves to be exceptional.

The insights shared here address issues as diverse as the group of people in this program. While the content covers as much ground as our participants do with regards to expertise, there are a couple of common threads that bind it together. One is connection – our connection to place, to land and to the people that work with it is essential for our future survival, both as an industry and as a community. The other thread is courage – whether that be the courage to innovate, to create, to care more. The same threads that bind this group together are evident throughout these articles. This is a group of leaders who care deeply about the work they do and the future of the industry in which they work.

From the perspective of Pragmatic Thinking, it has been a pleasure and a privilege to work with this group of leaders. Each turned up on the first day with a commitment to the program, to their personal development and to each other. What's even more impressive is that despite running businesses and families, between busy travel and work schedules, their commitment did not waver. They were challenged deeply, both personally and professionally and they kept showing up willing to embrace the challenges and opportunities with open minds and open hearts.

With these leaders guiding the future of the Australian Wine Industry, it's in very good hands.

Mikey Ellis
Program Coordinator
Pragmatic Thinking

Rebecca Jeffrey
Program Coordinator
Pragmatic Thinking

WINE FUTURE LEADERS 2019

Armando Maria **Corsi**

Associate Professor Armando Maria Corsi is the Associate Dean: Research Education at the University of South Australia Business School and a Senior Marketing Scientist at the Ehrenberg-Bass Institute.

His key area of research is the analysis of consumer behaviour, particularly towards wine and other premium foods and beverages. Author of more than 70 refereed papers, book chapters and trade articles on food and wine marketing, Armando is also the course coordinator of UniSA's Wine Marketing and Premium Food & Wine Marketing courses.

He enjoys working side by side with industry operators to help them grow their brands, both domestically and internationally.

Jessica **Chrcek**

Jess Chrcek runs the successful vineyard and cellar door, Moothi Estate, in Mudgee, New South Wales, with her husband, Jason, and has been involved in the wine industry since 2004. They took over the reins of the family business in 2008 and have flourished alongside the Mudgee tourism industry, in what is now a vibrant and lively 'cosmopolitan-country' township.

Jess is fiercely passionate about the region, its wines and the abundant local produce and currently holds the office of Chairperson for Mudgee Region Tourism and is President of Mudgee Wine Association. Her super-friendly fur children, Barney and Frankie, take great pleasure in welcoming visitors to the cellar door on a daily basis.

Kavita **Faiella**

After working with a number of Australia's most celebrated chefs, including Stefano Manfredi and Neil Perry, Kavita Faiella set her sights on Asia, travelling first to the Maldives, where she was appointed Head Sommelier of the luxurious Conrad property. She was subsequently appointed as Regional Cellar Master for Amanresorts, for which she developed the wine programs for some of the world's most revered properties, in Thailand, Indonesia, Cambodia, Laos, India, Japan and Sri Lanka.

In 2010 she became the Wine Director of the Press Room Group, where she was responsible for 12 of Hong Kong's best-known restaurants. Kavita's work saw her named as one of the 10 most influential wine personalities in India by CNN and 20 most influential people in the Hong Kong food and beverage scene by Time Out.

After 10 years abroad, Kavita is now happy to once again call Sydney home, where she works as the brand ambassador for Shaw+Smith and Tolpuddle Vineyard in both the New South Wales and Asian markets.

Keira **O'Brien**

Keira O'Brien is a winemaker based in Hobart and has the enviable task of working with more than 30 clients and growers to produce premium wines that reflect Tasmania's diverse soils and cool climate, an ideal role that allows her to marry her passion for winemaking and her skills as an educator, writer, business manager and customer-relationship specialist.

A champion of people and place, Keira is dedicated to helping her clients to grow their wine businesses and to increasing the profile of Tasmanian wine in domestic and international markets.

Marco **Gjergja**

Marco Gjergja is the Managing Director of his family-owned wine business in Mornington Peninsula. He leads the vertically integrated business from vineyard to table: the business produces premium wine under the Kooyong, Port Phillip Estate and Quartier brands and its hospitality activities include a fine dining restaurant and boutique luxury accommodation.

Marco is committed to a high-quality and sustainability focused industry. He is a dedicated member of the Mornington Peninsula Vignerons Association Executive Committee and has served as Secretary since 2018.

Mark **Fogarty**

Mark Fogarty is a Partner of Pendulum Capital, a corporate advisory firm based in Western Australia. With over 15 years of experience at Pendulum, Mark has worked on mergers and acquisitions, corporate restructures and capital raisings across many industries and sectors, including agribusiness.

This experience has allowed Mark to transition into the role of Mergers and Acquisitions and Investment Manager, as well as a Director, for the family business, Fogarty Wine Group, which has grown to include winery and vineyard operations spanning Western Australia, Hunter Valley, New South Wales and Tasmania.

Mark is also Company Secretary of The Wine Collective, a digital direct-to-consumer business based in Sydney, and is a founding Partner of GOONITYCOONS, a wine producer operating a cellar door in the Yallingup Hills, in Western Australia.

Catherine **Kidman**

Dr Catherine Kidman has been a part of the viticultural team at Treasury Wine Estates (TWE), based at Wynns Coonawarra Estate, since 2011. Her primary role is overseeing the viticultural technical program, as well as implementing the research and development directions for TWE vineyards.

Prior to joining the TWE viticultural team, Cath held the role of rootstock project manager with the Phylloxera and Grape Industry Board of South Australia (Vine Health Australia). Her PhD, at the University of Adelaide, examined grapevine rootstocks, water stress, flowering and fruitset. This has given her a good grounding for her work at TWE in rootstock choice and heritage clonal material, vine water status and yield forecasting, as well as her work in climate change mitigation. Cath is a keen collaborator, partnering on innovative projects with industry and universities to help bridge the gap between academia and practical grape growing.

Cath is a committee member of the Coonawarra Grape and Wine Incorporated Viticulture and Oenology Committee, as well as a technical representative for the Limestone Coast Grape and Wine Council and a member of Australian Society of Viticulture and Oenology (ASVO).

Hayley **Purbrick**

Hayley Purbrick is proud to be the fifth generation of one of Australia's oldest wine-making families – and she is bringing youth, passion and high-tech strategies to make the historic Tahbilk vineyard among the most environmentally friendly in the country.

Established in 1860, Tahbilk in the Nagambie Lakes region of central Victoria, is one of Australia's most historic family-owned wineries, purchased by the Purbrick family in 1925.

Hayley, who is Environment, Business Improvement and Digital Manager for Tahbilk Wines, lives and breathes the winery – the people in it, the people who visit it and the land, foundations and history on which it was built. And while she chose a slightly different path to carrying on the winemaking tradition, she is still very much connected to Tahbilk Wines and its future.

Andy **Clarke**

Andy Clarke is The Dirt Dude, a viticultural advisor based in Bendigo, Victoria. He has worked in the wine sector for nearly 20 years, in Victoria, South Australia and Western Australia, in a variety of vineyard and winery roles, including Chief Viticulturist with Yering Station. He is passionate about seeing things grow, irrespective of whether it's businesses, vines or people, and is excited by the challenges for the development of agriculture's next generation of professionals.

Andy is a Regional Director for the Australian Society of Viticulture and Oenology, a member of the Victorian Government's ministerial advisory committee, WineMAC, and has been active on many regional and national committees. He was also a 2015 Nuffield Scholar.

Any 'spare' time is occupied cooking, gardening and spending time with his wife Nami and their two children, Mannus and Dulcie.

Nadja **Wallington**

Nadja Wallington is the winemaker at Philip Shaw Wines in the cool-climate region of Orange in New South Wales. Nadja's passion for wine came from a young age growing up on her family vineyard and winery in the Central West. Nadja studied winemaking and viticulture at Charles Sturt University directly from school – seeing it as a career that would allow her the opportunity to blend her interests for agriculture, science and art.

While at university Nadja worked several vintages across Australia and since completing her studies has had experience in winemaking overseas, in the Russian River, California; Stellenbosch, South Africa; and Bordeaux and Côte-Rôti in France.

Nadja is dedicated to making wines that are authentic and expressive of time and place. She is a local girl from the Orange region, having grown up down the road, in Canowindra. She is passionate about the wines from Orange and the potential of this young region.

Carrah **Lymer**

Carrah Lymer's role in the wine industry during the past 12 and more years has been quite varied, to say the least.

Carrah's enthusiasm and dedication to her work saw her manage not only the digital marketing of De Bortoli Wines but also the company's trade marketing, as well as their graphic design and regional and company events. Working for a decade from the original winery and headquarters in the Riverina, she supported the marketing efforts for their premium and commercial brands and was proud to be an integral part of their master brand update in 2016.

In 2017, Carrah established Emerge Creative Agency to support the Riverina Winemakers' Association with its marketing, event and tourism plans, and also assumed the roles of treasurer and secretary. She has recently been elected as the association's Executive Officer.

Carrah has been working behind the scenes to change old perceptions and is continuing to promote the interesting wines and family stories of the Riverina wineries and to build recognition and awareness of the wonderful and significant wine region she calls home.

Dylan **McMahon**

Dylan McMahon was on track to become an electronics engineer until he decided to follow his destiny and make wine. His grandfather, Dr Peter McMahon, planted the first vines at Seville Estate in Victoria's Yarra Valley in 1972.

Dylan graduated in winemaking from Charles Sturt University and has travelled and worked various vintages overseas. He also regularly judges at wine shows around the country. Dylan took over as winemaker at the family winery in 2004 and continues the wine styles that Dr McMahon believed in.

Seville Estate has since won extensive trophies and medals and was named 'Winery of the Year' by James Halliday's 2019 *Wine Companion*.

Chris **Thomas**

Chief Winemaker and Managing Director of DOWIE DOOLE, Chris Thomas has a passion for McLaren Vale and the diversity of the varieties in the region, especially Grenache.

Chris's appreciation for wine and McLaren Vale came from his parents and from many weekend visits to cellar doors in the region. Chris graduated in oenology from the University of Adelaide in 2003 and has a wealth of experience as a result of working for top wineries in McLaren Vale, as well as in Burgundy, France. Chris joined DOWIE DOOLE in 2011, in 2015 purchasing the winery with a group of like-minded shareholders.

Chris is responsible for many highly acclaimed wines and has won trophies and numerous gold medals. Under Chris's leadership, DOWIE DOOLE has become a 5-star winery and in 2015 it was recognised as one of the 'Ten Dark Horses'.

Chris's winemaking style is to produce elegant fruit-driven wines that encapsulate the essence of the vineyards in which they were grown and the vintage in which they were produced. In short, Chris captures each wine's sense of place in a bottle.

When not at home making wine, Chris travels the world – Southeast Asia, China, Hong Kong, China, UK, Germany and on and on. A third of the year, Chris is out pounding the pavement, sharing his love for Australian wine.

Matt **Bahen**

Matt Bahen is the General Manager of Sales for Greater China at De Bortoli Wines. He has been in the wine sector for over 20 years, 12 of which were spent in China working with some of the country's largest distributors.

Prior to De Bortoli, Matt represented over 100 brands in China in Marketing and Sales capacities including more than 40 from Australia. He's both cynical and a passionate advocate of the China market with extensive experience in all its channels and complexities. He speaks Mandarin, albeit with a Bendigo accent.

Tom **Donegan**

In the formative years of Tom Donegan's wine career, while studying the Wine Business Master's Degree at the University of Adelaide (2010-12), he worked as a sommelier at some of Melbourne's top restaurants. This developed a knowledge and passion for the world's great wines, including some of Australia's best regional producers whom were not well represented in some important international markets.

This led Tom to the US where he was based for five years, establishing import company, Hudson Wine Brokers, which specialises in importing, selling and promoting some of Australia's best regional wineries to high-level trade and media. The company was founded in 2013 and works with a network of distributors across 25 US states.

Tom is now based in Melbourne where he works for Voyager Estate (Margaret River) in a Market Development role, focusing his energies on the Australian and US markets.

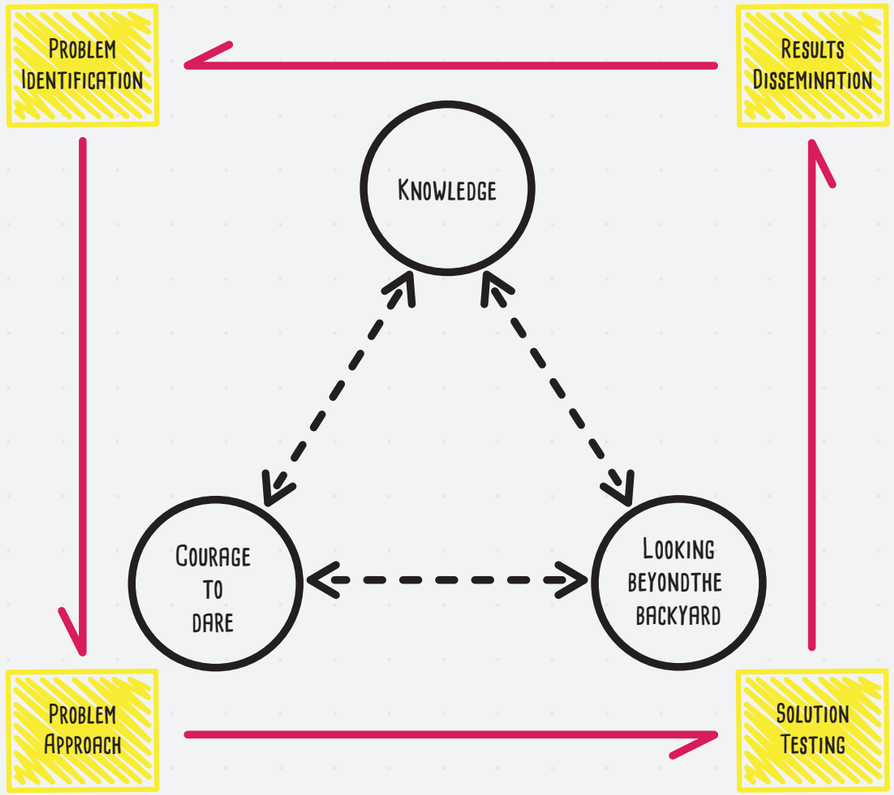
Tom is also an active judge in Australian wine shows, a certified sommelier through the Court of Master Sommeliers, has Wine and Spirit Education Trust II and III accreditations and completed a master's degree in wine business from the University of Adelaide in 2012.

MANAGEMENT AND LEADERSHIP

STRONGER TOGETHER

A conceptual framework to strengthen the bond between industry and academia

by Armando Maria Corsi



The model aims to strengthen the bond between industry and academia, to help the domestic and international wine sector to drive change rather than passively react to it. The model is based on three fundamental pillars – knowledge, courage to dare, and looking beyond the backyard – which support an iterative four-step process.

In the last few years we have been celebrating several successes for the Australian wine sector. The value of Australian exports has been steadily rising since 2013, the reputation of our wines has been growing, and an increasing number of tourists have been visiting our wine regions and cellar doors. However, we have also been going through some very tumultuous times, with new markets opening up and new ways of communicating about and selling wine. We therefore need to utilise some more effective tools, those that will allow our sector to drive change rather than passively react to it. One of those tools is the bond that exists between industry and academia. I would like to propose a model that would enable us to strengthen – or re-strengthen – this bond. The model is based on three fundamental pillars, which support an iterative four-step process. The three pillars are *knowledge*, *courage to dare* and *looking beyond the backyard*.

Knowledge

From viticulture to marketing, being on top of the existing knowledge in the field is critical. Unless this is achieved, it is not possible to identify the gaps in the knowledge base and find ways to fill them. Stronger collaborations between universities and industry will result in solutions and suggestions that not only take account of practical and personal experiences, but also the latest discoveries in the field.

Courage to dare

Truly innovative answers can only be found when we are willing to explore all of the possible scenarios and frameworks relating to the issues at stake. However, this means that, although some potential solutions are optimal, others may be less so. Universities are designed to tolerate risks and are not for profit, while industry consultants and commercial market research agencies are profit-focused. Failure is sometimes viewed by industry operators as a waste of time and resources, but it is accepted as part of the research process by academics. By strengthening the bond between industry and academia, companies can delegate the risk component of innovation to universities, receiving in return a thorough analysis of the various scenarios and issues under consideration.

Looking beyond the backyard

Long gone are the days when individuals and organisations would be satisfied if they did only what was best for them. It is time for us to consider the ‘optimal solution’, a solution whereby organisations do what’s best both for themselves and the community in which they operate. This paradigm shift ties in perfectly with the development of universities’ ‘fourth mission’, which acknowledges that universities not only contribute to the economic, social and cultural development of society via teaching, research and entrepreneurialism, but also collaborate with different stakeholders to ensure that the communities in which the universities operate become resilient and sustainable over time (Trencher, Yarime & Kharrazi 2013).

These three pillars embrace an iterative four-step process, and the model in its entirety should constitute the standard approach through which industry and academia together address problems.

Step 1: Problem identification

Just as nobody is likely to buy a wine of which they're unaware, similarly nobody solves a problem that hasn't been identified. Therefore, the first step of the process is to establish and maintain forums – whether online and/or face-to-face – where industry operators and academics can identify and discuss the issues the sector is facing and jointly define the problem.

Step 2: Problem approach

Following and adapting Simon Sinek's 'Golden Circle' model of 'why', 'what' and 'how' (Sinek 2019), I propose that, in tackling the problem, answers to three key questions should be provided:

- Why is this a problem?
- What can we do to solve it?
- How can we disseminate the new knowledge?

Step 3: Solution testing

This step consists of testing various solutions to solve the problem. This stage requires keeping as open a mind as possible, as some of these solutions may lead to sub-optimal results. It is only by making comparisons that optimal solutions, as opposed to the less satisfactory, are identified.

Step 4: Results dissemination

New knowledge is only useful when industry operators apply it for the benefit of their companies, as well as for the benefit of the communities and the regions in which the companies operate. The implementation of the new knowledge will in turn open the door to new questions, thus returning us to step 1.

In summary, a stronger bond between industry and academia is desirable and achievable, but the journey ahead of us is long. As Henry Ford once said, though, 'Coming together is a beginning. Keeping together is progress. Working together is success'.

Trencher, G.P., Yarime, M. & Kharrazi, A. 2013, 'Co-creating sustainability: cross-sector university collaborations for driving sustainable urban transformations', Journal of Cleaner Production, vol. 50, pp. 40–55.

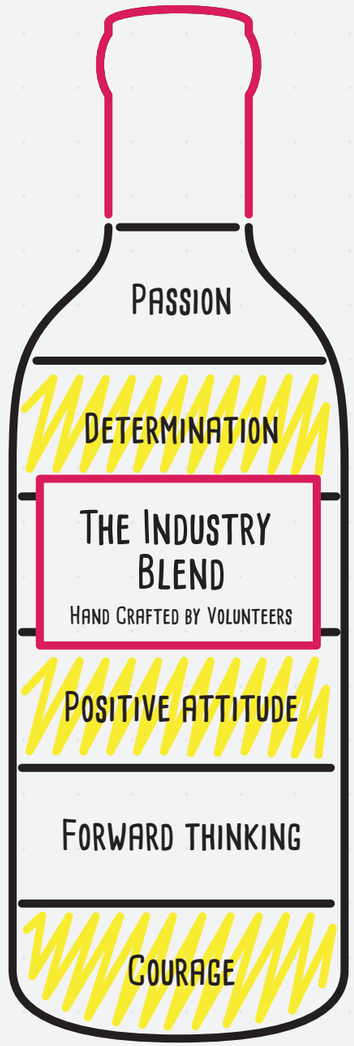
Sinek, S. 2019, 'The Golden Circle presentation', available at https://simonsinek.com/commit/the-golden-circle

Photo credit: Ewen Bell/Wine Australia

COLLABORATIVE EFFORTS ADVANCE US ALL

The ‘Great Australian Blend’ - cheers to volunteers

by Jessica Chrcek



The 'Great Australian Blend' - made with the passion, determination, courage, forward thinking and positive attitude of volunteers across all aspects of the Australian grape and wine sector.

Volunteering time can be, in equal parts, rewarding, enjoyable, beneficial and frustrating. There is no doubt, however, that involvement in the Australian wine sector by a diverse range of individuals is an important pursuit and something vital to its continued success. The sector supports various avenues for participation, including regional and state associations, technical committees, tourism bodies, community organisations, promotional groups and advisory boards. Many of these will share similar purposes and functions; however, all of them are integral to supporting and growing the broader wine sector.

For many people, the idea of becoming involved as volunteers in the sector doesn't appeal to them for a plethora of reasons.

Some industry bodies or committees may be perceived as limiting, stuffy, and time-consuming and quite often there's a perception that you can't join until you've had years of experience.

For every reason you can think of not to become involved, there're a million other reasons for participating and offering everything you can.

Investing time, not wasting it

It's true that with committees come meetings. Additional roles and responsibilities take time out of your own business and job. But it's also extremely self-rewarding to know that your time and efforts, spent wisely, are benefiting not just you or your business, but those around you, as well as your region, state and even countrywide. Don't offer what you can't – come ready to do whatever it takes but play to your strengths.

When I first became involved in the wine sector, I lacked experience and knowledge, but I was keen to make up for this with enthusiasm and especially with passion. An opportunity for a career change presented itself to me in my early 20s, and a chance to become a part of the family business was too good to pass up, so I jumped (or possibly was thrown) in at the deep end. Although I had virtually no idea what I was doing, fortunately almost every experience during my journey has been supported, and positive and collaborative. I consistently see this nurturing approach in the wine industry worldwide and believe it's one of the most supportive and rewarding industries to be in.

In the beginning I watched from the sidelines, fearing that my opinions and suggestions would be met with disdain, with people thinking 'what would she know?' I felt a real sense of terror that, in order to be accepted, I'd be forced to meet with a panel of experts in white coats asking me to explain complex winemaking terms or identify specific diseases in vines. I'm still no expert, but I recognise that, despite not knowing everything about winemaking, I still have a lot to offer. Fifteen years on, I am deeply

Photo credit: Ewen Bell/Wine Australia

involved and proud to have become the chair of our regional tourism body and president of the regional wine association.

What I found when I finally did get the courage to become a volunteer was that there was a bunch of hard-working people who needed help and weren't getting it or were losing it with a generational change; or there were committees with great ideas but no one to help execute them; or there were groups of people who wanted to push into the future and embrace technology but who lacked the know-how; or committees that would flourish if only someone could assist with applying for grant funding. Not only that, I encountered a welcoming and grateful group of people, who were crying out for 'fresh blood', experienced or not.

I was welcomed with open arms in my early years by everyone, mostly, I think, because I was an enthusiastic helper. I'd wipe tables down at the wine-tasting events, volunteer at wine show judging. I was no tech whiz, but I could organise email groups to streamline information; I would design and print signage for regional festivals; I enlisted the help of a grant-application writer and learned valuable lessons in strategic planning. I'd set up trestle tables and cart wine back and forth at local events and I'd happily assist in recruiting other new blood for promotional activities, technical committees and general aid. I was by no means the only one doing this, but all it took were a few extra bodies to kick-start something I'm proud to say has led to great things. I just had to get involved.

Over the years, my knowledge grew sufficiently such that, although I'm not an expert myself, I became confident to lead a group who are. I'm extremely fortunate to be part of a sector that collaborates with almost every type of industry – farming, science, manufacturing, retailing and marketing, not forgetting the many aspects of hospitality with which the wine sector has an association.

Every single person who volunteers has something to offer in committees and associations, but I do stand by one rule when it comes to how things work …

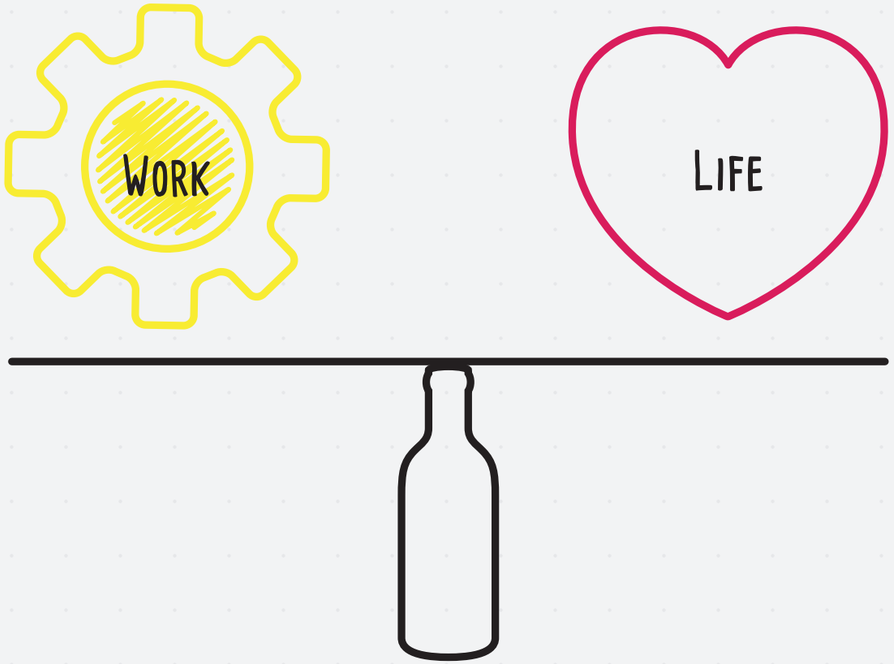
Don't complain about the things you're not willing to change

What I've found over the years is that watching from the outside and criticising something in which I'm not involved is counterproductive. Believing that those who are active on boards, committees and associations are always 'doing it wrong' or are always self-serving is possibly the most toxic aspect of any industry which relies on volunteer participation. Opinions and ideas on improvement are one thing, criticism of something with which you haven't been deeply concerned is different altogether. Join in – see how things function on the inside and work out how to HELP. Solutions are the key and, although you may not have the right one, a fresh pair of eyes and new insights can often be a catalyst for positive change.

IN PURSUIT OF BALANCE

The challenges of maintaining wellness
when it's your job to drink

by Kavita Faiella



Achieving a better work-life balance is the raison d'être for most of the world's working population. In the wine sector in particular, where it is our job to drink, a conscious approach to balance is a necessity for longevity.

For several years now I have struggled with the idea of working in a sector where over-indulgence of the very product we promote has the potential to lead to serious health effects and addiction.

I love working with wine; however, having also studied medicine at university, I am deeply aware and very conscious of the darker, less openly discussed, side of our industry – how alcohol affects the consumer, and, even more pertinently, the health of those working in a sector where it's our job to drink.

Can alcohol and wellness co-exist and what practices do we need to implement to ensure wellness is maintained for those working in the sector?

In 2018 I was fortunate enough to attend the Australian Women in Wine Awards, at which Rebecca Hopkins spoke about A Balanced Glass, a web forum she had created dedicated to supporting the health and wellness of wine professionals around the world. While a great deal of information related to general self-care is widely available, to discover something specifically catering to our sector is rare. I would encourage those interested to visit this website www.abalancedglass.com.

Contributors to this site believe that 'every professional who works with, or around alcohol deserves to have the knowledge, tools and resources to manage their personal wellness for long-term career success'. Her words couldn't have come at a more pivotal time in my career. The site also offers ideas and teachings on meditation, yoga, breath work, life hacks, and tools and tips for surviving and thriving in the wine, spirits and beer business.

Cathy Huyghe, co-author of A Balanced Glass, suggests that when it comes to self-care, ask yourself 'what would happen if we put self-care first rather than last?'

Below I share a number of the 'secret weapons' that the team from A Balanced Glass suggests will assist in navigating the festive season, which I – and, I'm sure many others – will find invaluable for implementing year-round.

Accept invitations where the pressure to drink is less

Divide invitations into 'business critical', 'stop for a pop' and 'nice to do's', and commit to attending only those that are essential or are quick stops. Once you commit to an event, drink only what is necessary to fulfil your obligations. Eliminating unnecessary occasions is one of the best ways to self-moderate your volume of diary dates and drinks. Remember that you don't have to finish every glass offered. This also applies to tastings, workshops and masterclasses.

Have a standard response to the inevitable question

If you're stuck and don't know what to say when someone offers you a drink, something as simple as 'I'm actually choosing to drink a little less this week/month/season' can work. It clearly communicates your decision and verbally reinforces your values of self-care. It's also a direct way to head off the inevitable 'Are you sick, weak, pregnant?' – those unwanted advances that are standard fare in work gatherings.

Pour non-alcoholic drinks into a wine glass

Muscle memory plays a big part; swirling and sniffing sparkling water can look silly, but its familiarity can also be comforting when you're in a new context.

Drink two or three glasses of water when you arrive

We often unconsciously eat or drink, not realising we are thirsty. Water helps to quench the thirst and prevents you from taking that gulp of sparkling wine or cocktail on arrival at an event. And if you like 'spirit-forward' cocktails, steer clear of neat alcohol, opting for high-balls or spritzers. Finally, adapting a rule of consuming 1:1 water to wine is always a great help in moderating your intake.

Find others at the gathering holding non-alcoholic beverages

Finding other abstainers can be a search mission, but common interests may surprise you once the wine talk is out of the way – even the fact you are both slowing down your consumption can be a conversation starter. How to find these folks? Hint: they may well be at the same self-pour table as you are.

Hold on to your glass

Literally, holding a glass can give the perception to others that you are happy with the drink you have. Keep an eye on wait staff refills, as it's easy to lose track of the multiple short pours, and holding on to your glass helps you to visually recall who is filling your glass and with what.

Summary

Rebecca Hopkins reminds us that 'Without a high-performing and vibrant industry, we are not reaching our full potential. We cannot create new ideas, conceptualise new ways, or thrive as a vibrant and engaged community without a healthy outlook'.

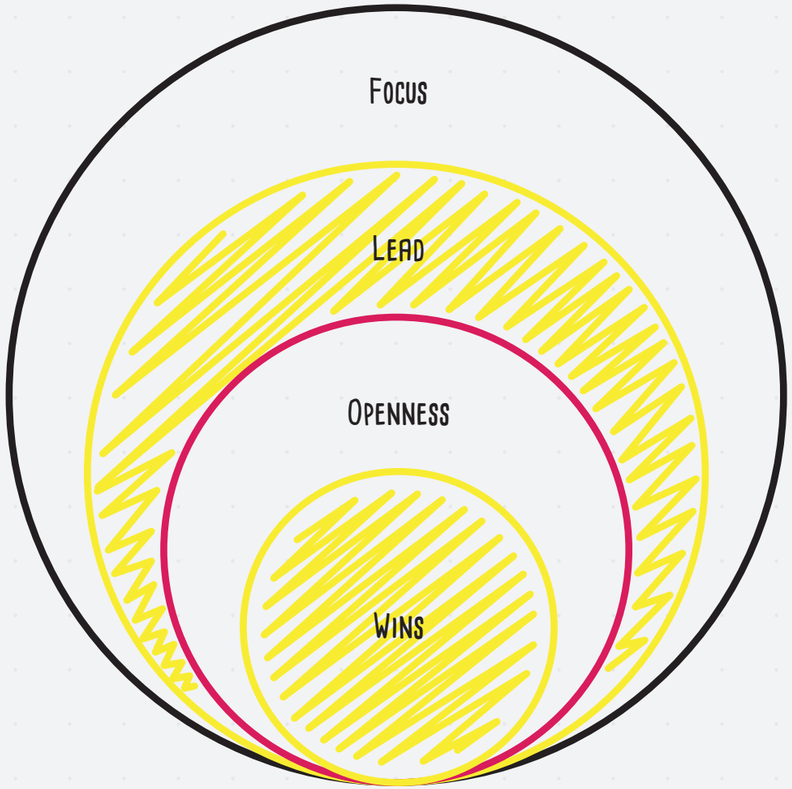
Working with wine can present physical and mental health challenges, challenges faced by few other professions. But the more our sector openly discusses these challenges and invests in resources with a focus on the wellness and self-care of the people working in it, the better off we all will be.

The following quote from Bonnie Bainbridge Cohen is firmly positioned in prime place in my workspace, 'The mind is like the wind and the body is like the sand: if you want to know how the wind is blowing you can look at the sand'. A conscious approach to self-care is the tonic our sector requires to safeguard its future and its people.

GROWING TOGETHER

Going further, faster through conscious relationship management

by Keira O'Brien



This model shows the four stages of FLOW. When we choose to 'focus' on how we communicate and truly listen, we give ourselves the foundation from which to 'lead'. Focus and leadership combined with 'openness' set us up for 'wins' – the core result of the FLOW model.

We don't accomplish anything in this world alone … and whatever happens is the result of a whole tapestry of one's life and all the weavings of individual threads from one to another that creates something - ***Sandra Day O'Connor***.

Working in wine gives us so many opportunities to connect. We are, after all, in the business of producing and promoting a product colloquially known as a 'social lubricant'. But, looking beyond wine's role in connecting people in a social setting, how we approach our relationships with those with whom we work can supercharge our efforts or diminish them. We have the power to choose.

Connection creates possibilities that don't exist when we work in isolation.

In the world I work in, relationships with my clients and growers are part of the fabric of our business. In fact, I firmly believe we are in the client service business, not the wine business. Making quality wine is a given, but if we really want to deliver value, we must create stronger relationships, communicate our purpose and our progress, and be service-oriented and, in so doing, create lasting value for our clients. But how? We can go further and faster in our businesses if we apply the 'flow' model of conscious relationship management. The following steps explain how to go with the flow.

Focus

Pay attention to how you 'show up' – think about your attitude, appearance and overall demeanour. When we communicate, we need to give it our whole focus.

When we are fully present in our communication and truly listen, we can respond with authenticity.

By listening and reflecting, we can begin to understand another perspective and empathise. Understanding the viewpoint of another person allows us to tailor our communication and can lead to powerful discoveries about more effective ways to work together. Take the time the conversation needs and shut off distractions such as the phone, email and walk-ins. Keep your body language open. Above all, understand what the relationship is about – be clear about what service you need to deliver to truly satisfy all parties and sustain a long-term relationship.

Lead

According to Dare to Lead author and researcher Brené Brown, a leader is someone who takes responsibility for discovering the potential in both people and processes – and has the courage to

develop that potential. Be willing to ‘dig in’ with clients – get your hands dirty, commit time, listen, walk in their shoes. Take the time to genuinely understand their business and goals. Don’t shy away from hard conversations and uncomfortable feedback because this is where the rewards lie.

Problems offer opportunities – either for better understanding or for positive change.

Create processes in your business that allow your people to deliver consistent results. Constantly communicate and educate your clients on your progress and what to expect. When they are engaged with the process of their winemaking, they will come to love the wine business as much as we do, and this will translate into great experiences for their customers, enabling growth and sustainability in their business. Make it your habit to under-promise and over-deliver. Make sure everyone knows what ‘great’ looks like.

Open

Genuine connection is formed when we are open with others. This means showing your humanity and vulnerability, approaching others without pretence and ego. Become comfortable with not having all the answers or not always being right. The answers come from the conversations and doing the work. Be real. When things go wrong, own the problem. Don’t be afraid to say: ‘we’re sorry, we’ll fix it’.

When we approach our client relationships with vulnerability, we build deeper relationships and loyalty and set the scene for amazing things to happen. We create resilient relationships, with the capacity to transcend growing pains and bumps in the road.

Wins

Review your progress periodically and acknowledge how far you’ve come. Take your team with you on this journey and acknowledge that your achievements have occurred through your collective efforts. From little beginnings big things grow – our small wins turn into major victories.

Extend this philosophy to your client relationships and celebrate your wins together. Take the time to understand what success looks like to them. At all points along the journey, expressions of gratitude and the generosity of shared learning make us feel as if we are part of something bigger than ourselves.

Summary

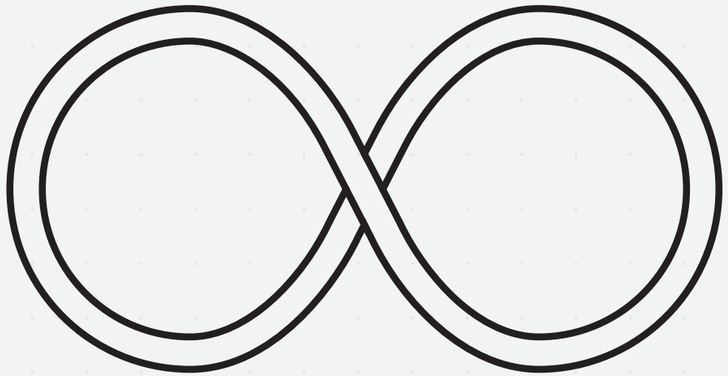
How we communicate is how we connect. When we communicate with intention and respect, we build stronger relationships. Our individual efforts combine to create a rich and detailed tapestry. Growing together, we create something beautiful, strong and lasting.

CHAIN OF VALUES

Examine and understand
personal values to provide insight into
professional values and vice versa

by Marco Gjergja

Chain of values



Personal

Ethical consumption
Gender and cultural respect
Health and well-being
Emotional intimacy
Family and care
Community
Income distribution

Professional

Sustainability
Gender and cultural diversity
Work-life balance
Emotional intelligence
Training and development
Social impact
Sharing wealth

The aim of this model is to examine and understand personal values to provide insight into professional values and vice versa.

People are on the march. We are facing a number of challenges with the potential to harm our environmental, social and financial wellbeing. The rise of social activism confirms that these issues are viewed by many to be of serious concern.

Concern about the threat from climate change continues to swell, most recently demonstrated by the school strikes for climate and the increasing activism of socio-political movements such as Extinction Rebellion. An increasing awareness of the environmental, social and financial issues inherent in our food systems and more careful consideration of animal welfare have led to a growing movement supporting organic food culture and ethical eating. Calls for a re-evaluation of our economic systems are growing louder, and we are witnessing a rising demand for ethical and socially responsible banking and investing options.

The increased interest in and awareness of the actions of the business sector are best exemplified by the growth of 'critical consumption'.

Critical consumers are demanding transparency and are making purchasing decisions according to their ethical beliefs, taking into consideration the potential environmental, social, economic and political effects of their choices.

Moreover, critical consumers give support to particular agendas through their consumption behaviour; for example, choosing goods with fair trade certification, choosing recycled paper products with Forest Stewardship Council approval, choosing power companies with renewable energy generation assets etc.

While people continue to look to government to drive change, there is a growing expectation that businesses, and business leaders in particular, will take increasing responsibility for the management of their environmental, social and economic impacts and adopt a more active role in leading positive change to address important issues. This expectation has been an essential catalyst in the transformation of the business sector. Business models have been reinvented, corporate cultures have shifted, and the role of the business sector examined.

These new conditions have made it increasingly important for people, organisations and industries to examine their values.

We need to understand our personal values and determine what we want to do, communicate and contribute.

Personal values are central to an individual's identity and contribute to the collective values and identity of the organisations in which we work. An organisation is a collection of individuals, and the values of its people, including its leaders, are instilled in its values.

A close alignment between personal and professional values and actions creates a strong sense of authenticity.

Organisations need to start with a commitment to authenticity. An authentic organisation is one that successfully defines and demonstrates its values and, in doing so, establishes bonds of trust and integrity with internal and external stakeholders. Internally, sharing values through communication and action will motivate staff and encourage them to do their best, improve organisational performance and reinforce a positive organisational culture. Externally, sharing values through communication and action will attract people with similar values – new team members and customers alike.

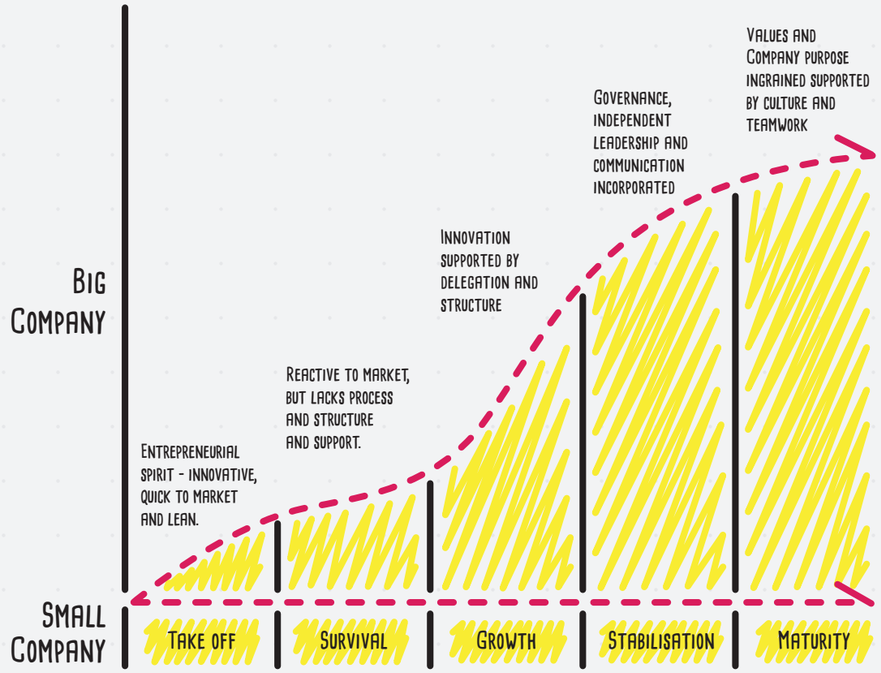
The wine sector, with its valued-added agricultural value chain, is well placed to lead positive environmental, social and economic change. Clear and confident communication of values, together with actions underpinned by these values, offers the opportunity to shore up the social licence of the wine sector and provide potential to create more ambitious impact.

The time is ripe for enquiry, enquiry into the personal and professional values we hold and the personal and professional actions we take.

SEEKING PROFESSIONALISATION PERFECTION

Balancing directors' meetings around the dinner table and the evolution of the family business

by Mark Fogarty



The growth cycle of an entrepreneurial business as it seeks to battle growing pains with maintaining core values, purpose and the transition to professionalisation.

Family businesses account for around 70 per cent of all businesses in Australia[1] and this is particularly evident in the large, yet fragmented, wine sector. These businesses span from 'Mum and Pop' operations, through to some of the largest wine producers, remaining proudly family-controlled after generations.

Unfortunately, many family operations fail to achieve the profitability that justifies the toil and passion put into them by their founders. The need for these businesses to professionalise their operations, for their own benefit, as well as to contribute to a profitable and sustainable wine sector, remains a crucial requirement for the future.

Most successful businesses grow from a concept developed by a sole entrepreneurial spirit, which can be difficult to duplicate and pass on through generations. Family business surveys demonstrate that 'first-generation family businesses clearly outperform those run by subsequent generations'[2] and while a transition across generations seeks to protect the family brand, it also brings with it the possibility of failure. This step change must be focused on transitioning the business without losing the core features that made their business and family values unique.

One of the challenges facing our family business – and others – is managing the emotional attachment to the business; that is, to view the business as a business that needs to prosper and flourish, rather than viewing it as your business. When your family name is linked to a wine label, or you helped turn the soil on the vineyard, the emotion is amplified and can lead to a reluctance to adapt, change or evolve.

Millbrook Winery – our business – is where I spent the most time as a child, where I got married and where I now share adventures with my three boys. To me, it's more than just a business; it's a place of treasured memories. So how do we balance this emotional attachment with business decisions, while ensuring we don't hold the business back?

By professionalising the operation and incorporating governance and structure.

One of the key steps to professionalising any operation is the injection of external knowledge by implementing new management teams or independent committees to incorporate experience from outside the family. Adopting this approach can also help keep your emotional attachment in check.

It's important to note that a family business does not have to be run only by 'family' members to be successful or gain consumer trust. The key is to identify the best candidate(s), who acknowledge and protect the family values while supporting the entrepreneurial spirit that set the business apart in the first place.

Identifying these custodians is a well-known challenge. They can also bring different corporate cultural backgrounds, which further compounds the changes being undertaken. This 'co-fermentation' of cultures can be a challenge for a family business, as the family feels that control is slipping away and they seek to protect their 'baby'. The employees themselves may also battle with change, in the form of new leadership, perhaps becoming disengaged and feeling alienated or excluded.

So, what improvements can be made to take the family business from the dinner table to the boardroom? Key elements of this process include:

Communication: KPMG reported that 'good communication, and even healthy conflict, between family members is vital to boost the sustainability of the business and wellbeing of the family'.[3] Clear communication is fundamental to everyone seeking to understand the direction of both the company and their own futures.

Establish good corporate governance: as businesses grow, so do its responsibilities to the family and its employees, as well as the company's involvement within the community. Establishing appropriate governance frameworks early will help to underpin future growth and once established will determine how these relationships are realised in day-to-day operations.

Separating family from structure: the formation of family committees is widely promoted. These allow family matters to remain separate from the board of directors and prevent judgement during more critical business decisions from becoming impaired.

Independent directors: no family can contain all the skillsets required for the business, regardless of their training, and independent parties help to provide the necessary skills, as well as an alternative viewpoint, one that may not be influenced by emotional attachment.

Develop the plan: formalisation of a business plan is critical to a business of any size, yet mid-term (3-5 year) strategic planning is often lacking in family businesses.[4] Build a business case, identify the strengths, weaknesses, values, aspirational goals and purpose for being there. A well-executed strategy will provide clarity, empower the team and establish goals for everyone.

The overall aim is to establish protocols to support the entrepreneurial spirit of the family operations without holding it back due to, sometimes irrational, emotional attachment. This is paramount to ensuring that the business sets the foundations to grow and provides a platform for generational transition.

Above all else, the family must continue to champion the story, values and the purpose for being there. And then promote them to the world.

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1. https://www.familybusiness.org.au/documents/item/253.

2. PwC Global Family Business Survey 2018.

3. KPMG Enterprise and Family Business Australia (FBA) 2017–18 survey.

4. PwC Global Family Business Survey 2018.

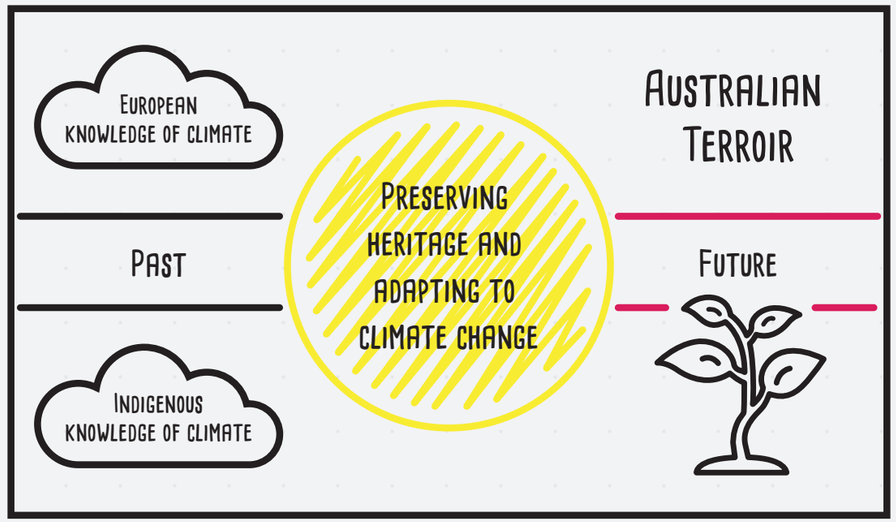
ENVIRONMENT AND LAND

Photo credit: Wine Australia

SUN, DIRT, WATER – GROWING GRAPES IN A CHANGING CLIMATE

Connection to country and Indigenous culture – what that means for Australian wine

by Catherine Kidman



Referencing past, present and future climate scenarios to include indigenous understanding of climate, seasons and cycles may provide a unique opportunity for forecasting the impacts of climate change and adaptation.

The term ‘vintage’ references the growing season in which the grapes are grown and the wine made. When analysing a vintage, of importance are the weather patterns under which the vines were grown, how much rain or heat was experienced and whether the ripening period was fast or slow. These, amongst other key features, contribute to making every vintage unique.

The climate in which the grapes were grown is a significant contributor to vintage, also influencing the complex nature of terroir. ‘Terroir’ is often described as an integrated concept, defined as the natural environment in which the vine is grown, which includes the unique climate, geography, topography and soil, local yeast and microflora, along with cultural practices both in the vineyard and winery (Gladstone 2011).

Weather and climate are central to a successful vintage. Throughout the growing season and harvest, much effort is dedicated to mitigating the effects of the unfavorable conditions, while maximising favourable weather conditions. Consequently, most viticultural regions worldwide have generated detailed information on the response of vintage to climatic conditions. In Australia, much of the detailed historical weather data extends back to the late 19th century, although, at best, it may be considered patchy. The recent Reconstructing South-Eastern Australia Climate History (SEARCH) project sought to document the climate data of first European settlement to aid in greater understanding of natural climate patterns and how climate change is predicted (Gergis 2018). Although this landmark project captures the volatile and highly variable Australian climate, very few historical accounts of Australian climate document the Aboriginal knowledge of climate, seasons and cycles and how they relate to Aboriginal society and culture.

Of the 65 registered Geographical Indication (GI) regions within Australia, only 17% of wine region websites acknowledge and pay respect to the Aboriginal people of the region as the traditional custodians of the land (Kidman 2019 unpub.). Given the importance of region and terroir to the wine sector, an opportunity exists for the sector to respectfully acknowledge the Aboriginal people of each of the regions as the traditional custodians of this land, and to pay our respects to their Elders past, present and emerging. Many Indigenous communities hold a wealth of local environmental knowledge about past climate and weather and how this informs cultural practices (Green et al. 2010).

Recognising the value of this knowledge may provide an important Indigenous cultural contribution to our understanding of climate and also has the potential to influence and enhance our uniquely Australian interpretation of terroir.

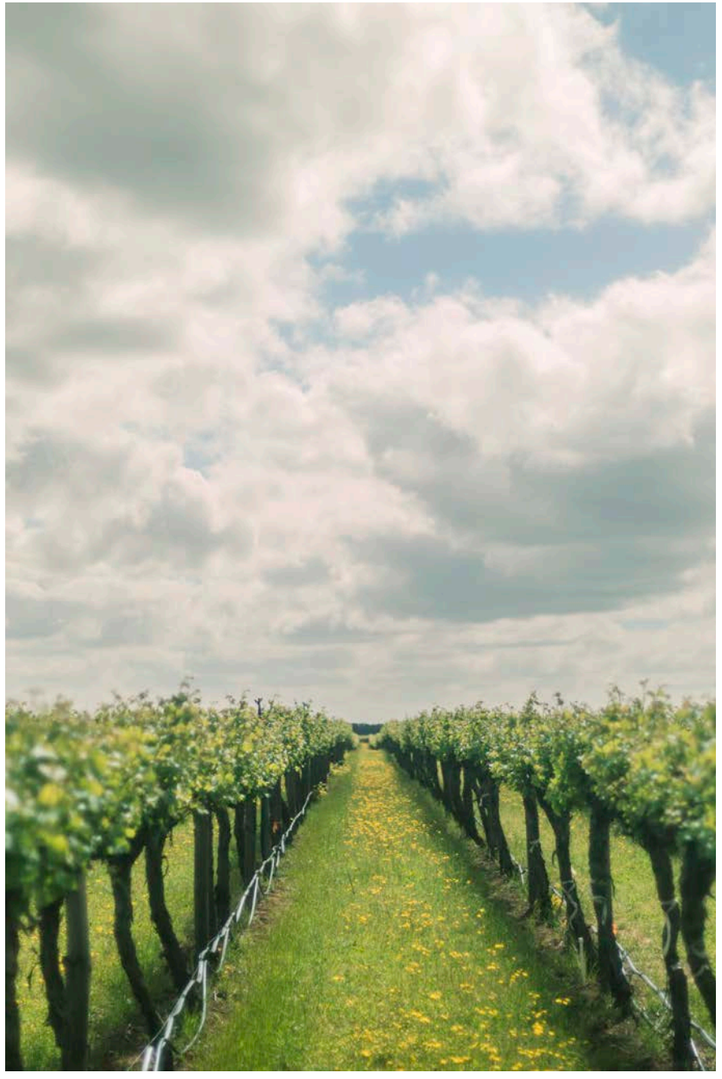


Photo credit: Wine Australia

Indigenous Australians have a long history of adaptation to changing climates, documented in part by seasonal weather calendars or through inter-generational story telling (Green et al. 2010). Green et al. (2010) suggests that the weather and climate observations of seasonal change made by Indigenous people have the potential to fill current gaps in climate data. This 'new' data source from Indigenous observation is viewed as an opportunity to validate modelled climate change and ecosystem effects and therefore increase confidence in future climate projections, as well as provide strengthened historical data for past reconstructions. A tool that would serve to strengthen resilience within the wine sector to climate change.

Ethnometerology – the study of how different cultures observe climate and weather – is limited in the Australian context. However, two projects have recently been initiated in an attempt to document Indigenous understanding of past climate and weather that the wine industry could learn from. The Bureau of Meteorology (2002) web-based Indigenous weather knowledge project details the seasonal weather calendars for 16 Aboriginal and Torres Strait Islander communities. This website is formal recognition of traditional weather and climate knowledge, with the Bureau working with those communities who wish to record and share seasonal, traditional and environmental knowledge. This is a great example of successful participatory programs, as guided by Indigenous communities. The second is the 'Sharing-Knowledge Project' (UNSW 2011), which examines the impact of climate change on Indigenous communities in Northern Australia. This project is working with communities to determine ways to mitigate or reduce the impacts of climate change. When considering this topic, guidance should always be sought from and approved by the appropriate Indigenous authorities for each region, with the data capture itself performed mindfully in terms of the specific context, and permission gained for the use of the data.

In the future, climate change, through an increase in extreme weather-related events (heat, frost, fire) and warmer growing season temperatures, will present a substantial challenge to viticulture and winemaking. While the Australian wine sector is considered as having a high level of adaptability (Anderson et al. 2008), climate change will have a significant impact on the terroir of our regions. Given the potential value of the power of past data and observations to inform the future, Indigenous knowledge on climate (past and present) may provide a unique opportunity for forecasting the impacts of climate change and adaptation. It may also serve to strengthen our knowledge of terroir, along with providing an opportunity for the sector to better acknowledge the Aboriginal people of our wine regions as the traditional custodians of this land.

Anderson, K., Findley, C., Fuentes, S. & Tyreman, S. 2008, 'Viticulture, wine and climate change', Garnaut Climate Change Review, pp. 1–22, www.garnautreview.org.au, accessed July 2019.

Gergis, J. 2018, Sunburnt Country: The history and future of climate change, Melbourne University Press, Melbourne.

Gladstone, J. 2011, Wine, Terroir and Climate Change, Wakefield Press, Adelaide.

Green, D. 2011, 'Sharing knowledge: health impacts of climate change on Indigenous Australians', http://sharingknowledge.net.au/, accessed July 2019.

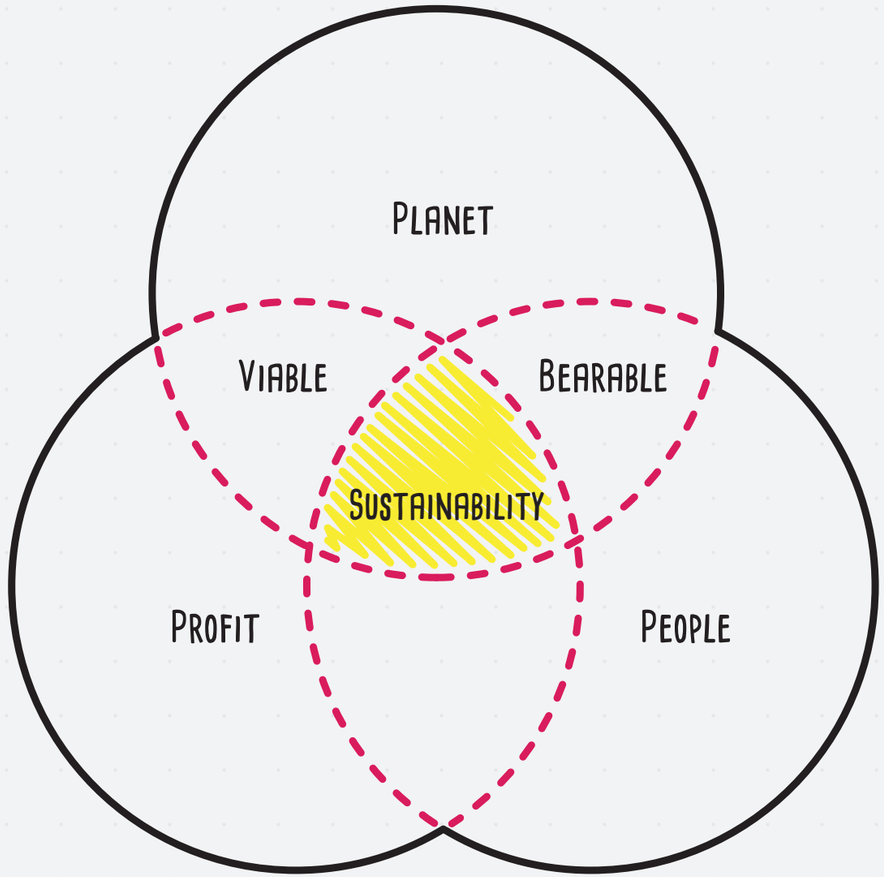
Green, D., Billy, J. & Tapim, A. 2010, 'Indigenous Australians' knowledge of weather and climate', Climate Change, vol. 100, no. 2, pp. 337–54.

Kidman, C.M. 2019, unpublished paper.

INVESTING IN THE ENVIRONMENT

Create a business the future generation can be proud of

by Hayley Purbrick



The triple bottom line sustainable business model is a commonly adopted model to ensure organisations understand the full cost of doing business and act with a mindset of social responsibility. The theory holds firm if you only look at profit, ignoring people and the planet, you are ignoring the full cost implications of the activity. The Environmental Plan then acts to deliver on the 'planet' component of the model.

Tahbilk's story starts with the land and the river: nature's abundance calling multiple generations to our place, tabilk-tabilk or 'place of many waterholes', in the language of the Taungurung people, since 1860. We believe our role is not to grow grapes but to create the environment where grapes can grow.

The word 'environment' refers to the surrounds (the climate) in which organisms live, a complex arrangement between nature and the regulation of life. A favourable microclimate can be created by influencing localised atmospheric conditions, taking the edge off harsh weather events.

The environment has a direct impact on grape quality- that is, the maturity, purity, condition, flavour and character of the grape. It's these fundamental elements which are integral to creating high-quality, consistent, flavoursome and expressive wines.

At Tahbilk we are not interested in moving our vineyards to a different climate for the sake of quality. To ask the Australian grape-growing community to move some 135,000 hectares in search of new climates for growing due to climate change is not feasible. Instead, it is possible to approach agriculture with the belief you can both have an impact on and influence your microclimate (and macroclimate) to generate favourable atmospheric conditions for growing. This is a change in mindset for many.

It is these linkages that have motivated us to take action to invest in the environment in order to protect its livelihood and ours.

We regard investing in the environment as insurance, safeguarding against the risk of loss or damage due to extreme climatic events. However, unlike insurance, you don't have to lose to be paid out. Since committing to taking environmental action in 2014, Tahbilk has achieved permanent annual savings of $100,000+ back to the bottom line: a minimum 50 per cent return on investment each year.

We attribute our success to practical and realistic action, as encapsulated by our 'environmental model'. The essence of the model is outlined in the following.

Collaboration phase

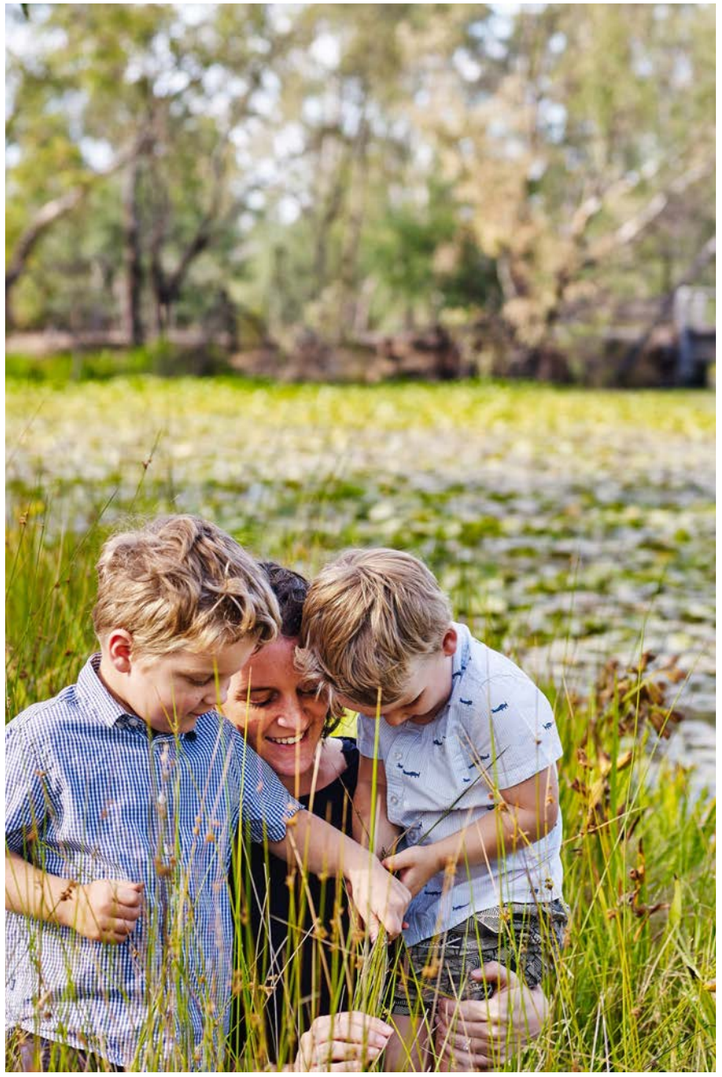
During the collaboration phase reach out to a broad range of people within your organisation. It is important to engage both those in the higher reaches and those at the coal face in all activities. Both are equally valuable, keeping in mind that those allocating the dollars must have buy-in on the objectives and parameters, while those at the coal face are critical to developing a practical and realistic plan.

Create objectives

Everyone needs to be committed to the same objective. For us this is a mix of reducing our consumption of non-renewable energy sources, minimising waste, undertaking revegetation and maintaining healthy and biodiverse environments.

Set parameters

Work out your decision-making boundaries: determine the parameters that will indicate whether an idea is a 'no brainer' or shelved for another day.



Our parameters follow the ‘sustainable business model’, which aims to find the balance between people, profit and the planet. Hence, we will not implement any environmental activity unless it’s ‘bearable’ and ‘viable’.

Plan

The last action during the collaboration phase is to develop a plan. The plan will identify the opportunities available and allocate responsibilities to timelines, depending on the size of the business and the objectives set. No plan, no action and that’s guaranteed.

Implementation phase

The implementation phase is where action happens. The reason for allocating these activities outside the collaboration phase is to avoid over-collaboration during the process. In our experience we have found excessive collaboration can also stymie the process of getting things done. This phase is an opportunity to gather real data and create real action.

Allocate

Ensure that everyone understands their role in achieving the environmental plan. While we recommend having one person taking ultimate responsibility, it is important that activities are allocated to the person who can take immediate action. At this stage, make sure everyone knows what their target is and when they are expected to achieve those targets.

Measure

This is a critical phase and where actions such as carbon footprinting and biodiversity audits reveal your progress towards targets. This is an area where businesses are often not willing to invest dollars. To those reluctant, remember: you get what you measure. Just keep in mind if you are not willing to spend money on understanding your progress, you won’t make any.

Feedback phase

Not everything will work and not everyone will make it work. As you progress, it is important to review what you’re doing. Are you achieving what you hoped would be achieved? What needs to change? Who needs to change? We choose to report on progress every two months and annually review plan progress, utilising our annual carbon audit as a prompt. But determine what works for you, since no one size fits all.

Review and adjust

Finally, utilise the outcomes from measuring progress against your plan to review your existing activities and adjust them accordingly. It is important to return to the collaboration phase to ensure the document remains relevant and there is maximum buy-in from everyone in the organisation.

Summary

A strong environmental model has enabled Tahbilk to secure its own unique meso climate, which is three degrees cooler on average than any other place within three kilometres of our location. We are buffered against extreme weather events, able to grow grape varieties which otherwise would be non-viable and, most importantly, have the confidence that our local environment will remain a great place to grow grapes.

Passing on a business of which we can be proud to future generations.

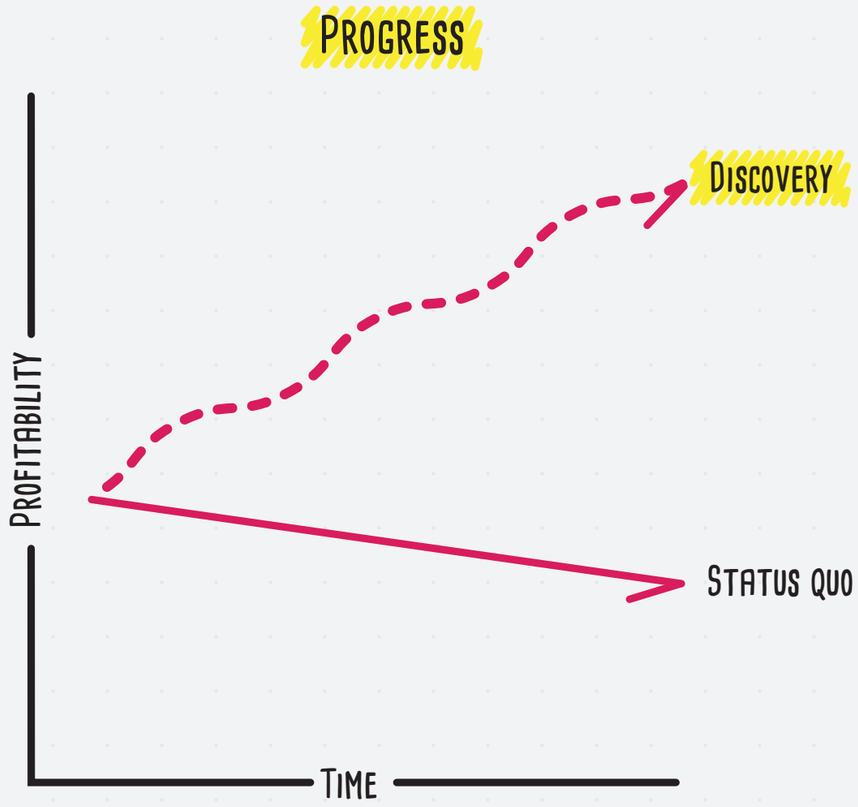
GROWING AND MAKING

Photo credit: Ewen Bell/Wine Australia

DISCOVERY MINDSETS FOR VITICULTURE

'Without deviation from the norm,
progress is not possible' – Frank Zappa

by Andy Clarke



'Without deviation from the norm, progress is not possible'
Frank Zappa

In modern agriculture, factors such as intuitive technology, an ageing workforce and diminishing labour sources, as well as a changing climate, are simultaneously enabling and challenging our ability to grow and adapt as never before. New solutions will be required to ensure success today and tomorrow, and 'discovery' mindsets are a way to identify them.

The wine sector is emerging from a period of rationalisation, in which profit margins were barely evident and many skilled professionals had moved to other industries. While the sector is now primed to move forward, we will need to reassess modern viticulture practices in order to embrace any growth while simultaneously managing significant challenges. More extreme seasons, as a consequence of climate change, rising seasonal labour costs and a shrinking talent pool for labour, both skilled and unskilled, leave businesses financially exposed.

The most substantial vineyard operating costs are labour-related, with this figure often in excess of 30 per cent of total costs. The International Labour Organization (ILOSTAT) found that, between 1991 and 2018, the percentage of Australians actively employed in agriculture had fallen from 5.4 per cent to 2.6 per cent.

Vineyards are competing with other agricultural industries for this ever-diminishing pool of workers, and technology has not yet reached the point where we can replace labour or halt climate change. Due to our heavy reliance on labour and the impact of climate change on our capacity to deliver a consistent product using traditional practices, viticulture is highly vulnerable. How we manage these challenges in the vineyard is key to the long-term viability of our wine businesses. What is required is a 'discovery mindset', whereby, in the search for better outcomes, we are open to challenging the ways we have traditionally practised – discovering ideas, discovering boundaries by challenging assumptions, and discovering fresh perspectives.

Discover new ideas

Opportunities need to be created to enable investigation of other businesses, not only other vineyards and wineries, but also different industries. Crossover exists between agricultural and manufacturing, whereby technology and knowledge can be transferred and adopted across each of these industries. Selective harvesters, now common in viticulture and with the potential to reduce hand-labour costs, use the same optical technology as that of the potato, cherry and pharmaceutical industries. Toyota's Lean Production System of continual improvement, built upon incremental gains and efficient use of resources, is now commonplace across industries, including the larger corporate wine businesses.

It is important to be ever-aware of how others operate in order to stimulate creative thinking, and from there apply new solutions to the challenges we face.

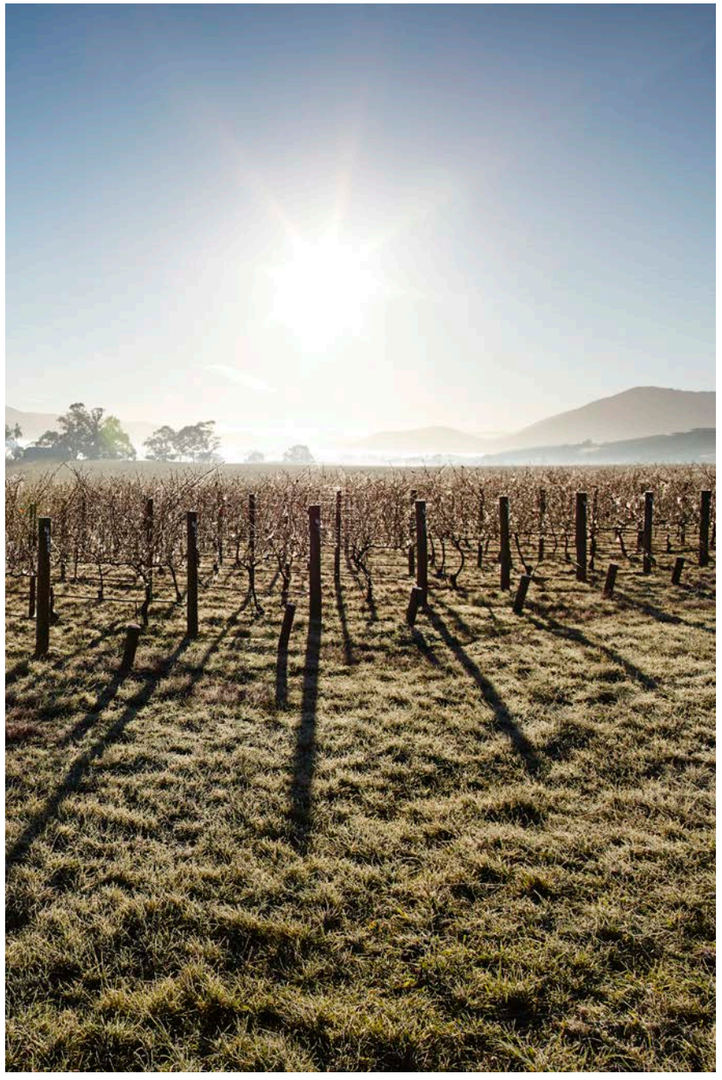


Photo credit: Ewen Bell/Wine Australia

Discover your boundaries

Long-held assumptions help us to make decisions readily in situations where we don't have advance access to the required information, such as the seasonal weather conditions or the price we'll receive per tonne of grapes. The underlying evidence supporting these assumptions may have shifted over time, such as the current climate and the labour market conditions, so these assumptions must be continually tested.

Ashley Keegan introduced a concept called a 'paddock PhD' to his organisation, Food and Beverage Australia Limited (FABAL). Each vineyard manager creates a trial on a small portion of the property, with the goal of pushing the viticultural system to its limits. In efforts to stretch the system – be it with varying fungicide and water use, reduced labour or maintenance costs or higher yields – the manager pushes the trial area to the extremes and in the process gains a greater understanding of possible boundaries, dispelling the accepted understanding of what is and isn't possible. This is calculated risk taking, as long as the trial is not too large. When adopting new ideas, such as alternative disease control measures, many businesses have skipped the trial phase and implemented the new procedure across the entire vineyard. Without testing the concept in the local environment, the entire crop is at risk of disease, while the business itself carries an excessive risk.

Discover new perspectives

A fresh perspective is sometimes the key to growth and improvement. Think about when we enter a new or different business and how quickly we are able to identify the areas which need improvement, despite being blind to them in our own business. Having a trusted advisor or mentor with broad experience can prove invaluable when it comes to bringing in fresh thinking and knowledge or consolidating and validating our own thinking.

Regional support groups are another way of gaining a fresh perspective. The Irish dairy community has discussion groups where all aspects of the business are shared amongst a closed group of regional farmers. Production levels, pricing, costs and staff management practices are all shared, in a private 'safe' environment. After a visit to a farmer's business, the other farmers will return several weeks later with a considered critique. The most successful groups are direct, engaged and supportive, and aim to improve each other's business. This requires a level of trust, organisation and shared vulnerability, as no one can hide when all the figures are shared. The end result is improvement and the uptake of better business practices and a region stronger when facing shared challenges.

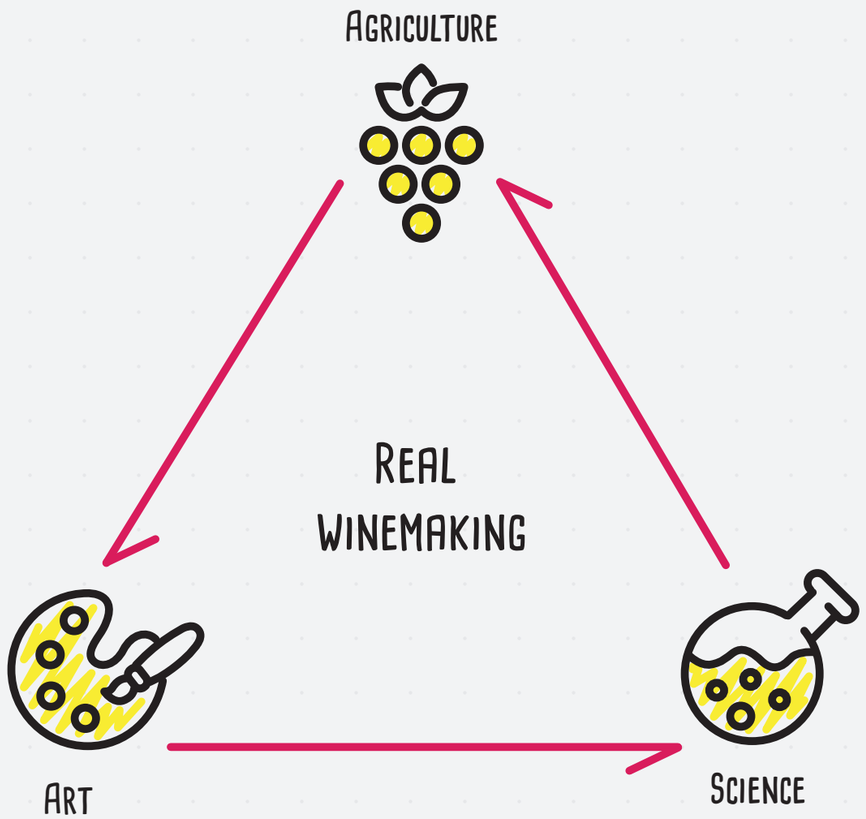
In summary

A discovery mindset is equally important for growth and improvement in the business and vineyard as it is in the individual. It is about embracing the challenges we are facing and finding new ways to solve them, stretching our capabilities in the process. Understand your boundaries, discover fresh ideas and get the right people around you for the greatest chance of success today and tomorrow.

REAL WINEMAKING

The pursuit of authenticity and excellence

by Nadja Wallington



At the centre of this model is the desire to make real wine which is authentic and expressive of time and place. To do this we must have a foundation in science to give understanding to the complex reactions and interactions of wine, a connection with agriculture to better understand the true expression of the site and an appreciation that wine is art and by engaging with it creatively we encourage our unique expression as winemakers.

All inspired winemakers are on a constant journey, striving to create exceptional wine that expresses time and place – authentic wine of excellence. I use the term 'real winemaking' as opposed to 'natural winemaking'. The term 'natural wine' implies that a wine made using technology, sulphur and interventions is less natural than another made without these, which is misleading. Arguably, the majority of homogenised commercial wines, lacking any sense of time and place, can be considered more manufactured and less 'natural', although not all wines that fall into the category of conventional winemaking can be tarred with the same brush.

The success of the wine sector relies on the pursuit of 'real winemaking' and a greater ability to communicate the nuances of this to its consumer.

'Does this wine have sulphur in it?' As a conventional winemaker, I feel my heart sink a little every time I hear this. 'Yes it does contain sulphur … but no more than it needs to.' No winemaker pursuing authentic, high-quality wines makes additions – of any kind – they feel would diminish the expression of the wine. When sulphur is not added to wine, the risk of microbial instability and oxidation are amplified. For a winemaker to have patiently crafted a wine only to have it marred by oxidation or microbial spoilage would be devastating.

I do not argue that the addition of sulphur does not take something away; however, its mark on the wine is negligible compared with the risk incurred through its absence.

Real winemaking is aware of what's available in the toolkit but doesn't rely too heavily on it, rather employing intuition, diligence and discipline to reveal a wine's unique expression, which encapsulates acceptance of vintage variation and celebration of diversity. The role of the winemaker – the human component of the wine – is incredibly important and requires an understanding of agriculture, science and art. The agriculture aspect covers the winemaker's relationship with the vineyard, which must be strong if a winemaker is to understand its produce. Science is the foundation of the winemaking process, and an understanding of the complexity of the chemical reactions and microbial activities which underpin the process of grape to wine is crucial. Art is the creation and expression. Real winemaking harnesses these qualities to craft authentic wine.

The vineyard is the birthplace of wine, with the pursuit of balanced vines free from disease a key goal. Understanding a vineyard and its potential is crucially important. I believe that the application of sustainable holistic practices is important for achieving a vineyard's potential. Emphasising the qualities of variety, clone and block variations enables a greater understanding of the place, while engagement with each growing season aids the understanding of time.

A winemaker who truly recognises the importance of time and place will have a greater capacity to translate this expression into the wine.

Science is the foundation of real winemaking. Fermentation kinetics, acid balance, phenolic potential, oxidation reactions and microbial stability are just a few of the concepts a winemaker must grasp to effectively guide a wine into creation. Allowing a wine to just ferment may result in a wine with high volatility, microbial taints and residual sugar. A winemaker's understanding of the requirements for a healthy and robust fermentation enables them to guide the ferment and achieve clear expression of the wine. This does not necessarily mean that anything is being added but rather that the wine is being guided through critical steps to ensure purity and clarity of the product.

An understanding of the complex interactions that occur in a wine during its making is essential for realising its potential and creating wine that tells a story.

Art encapsulates the touch of the winemaker: the combination of skill and technology to create a wine that is unique. The artistry of the winemaker enhances quality through thoughtful and intuitive use of technology and skills. Conversely, this artistry also has the potential to undermine integrity, with overworked and over-manufactured wine. These, at the extreme, are the generic commercial wines, which lack any sense of time and place.

Real winemaking inspires wines of excellence and authenticity; it produces wines that are diverse and engaging. Wines marred by faults as a result of apathy or complacency are not more natural, authentic or real than wines made using judicious and considered technology. Winemakers pursuing authenticity and excellence must connect with their site, understand the scientific foundations of the evolution from grape to wine, and use the art engendered through a combination of skill and technology to nurture and enhance the expression of a wine.

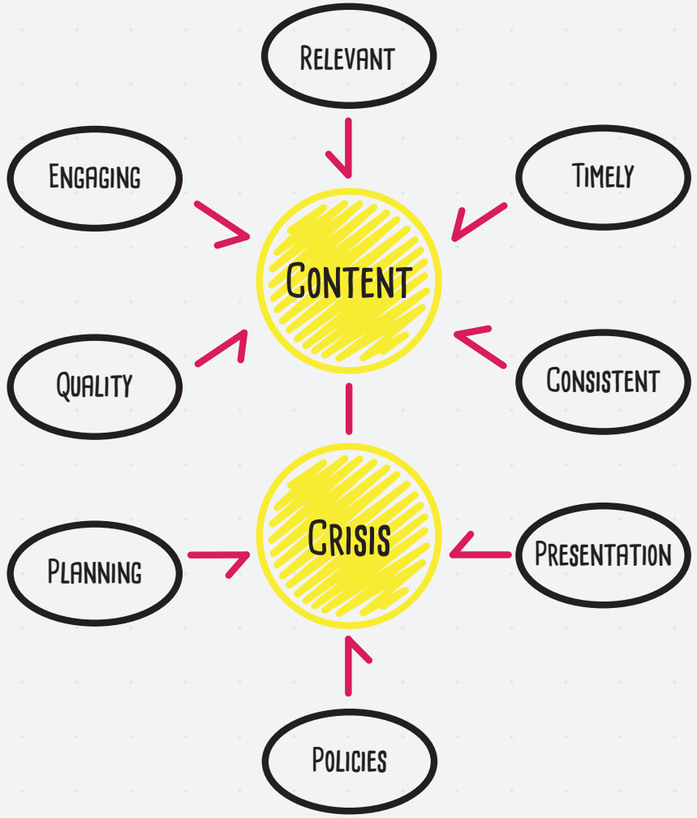
MARKETING AND BRAND

THE SOCIAL SPACE

The content and the crisis –
aiming for the best and preparing for the worst

by Carrah Lymer

Investment in your digital content is essential in building your brand's awareness and reputation. Your online audience is as important as any other customer, from those visiting your cellar door through to your trade customers.



The year was 2010, Mark Zuckerberg had not long been announced as Time Magazine's Person of the Year and I am about to give a presentation to the board of directors of a large family-owned winery about why I believe the company should seriously consider using social media for their business.

Seems funny now that we had to 'convince' people that we thought social media was worth doing, but at the time no one in the industry was really using social media in this way.

Nevertheless, they agreed, and we dived into doing social media marketing. The idea that we were 'having fun on Facebook' was a common joke from other departments, but our team could see that this was the future of communicating with our consumers, and it wasn't long before the jokes evaporated.

Over the past decade the social space has evolved dramatically, from the monetisation of the platforms and the introduction of Instagram, Pinterest and Snapchat, to the online trolls and general social outrage, through to social media fails, going viral, hashtags and #somuchmore.

Today, around 8 in 10 Australians are using social media; Instagram continues to rise, and Twitter continues to fall; Facebook is holding steady with an older audience but not attracting a younger audience; and Weibo and WeChat are the dominant platforms in China. Now, unlike the situation of 10 years ago, many of us recognise that having a dedicated digital marketing team is a must-have for your business.

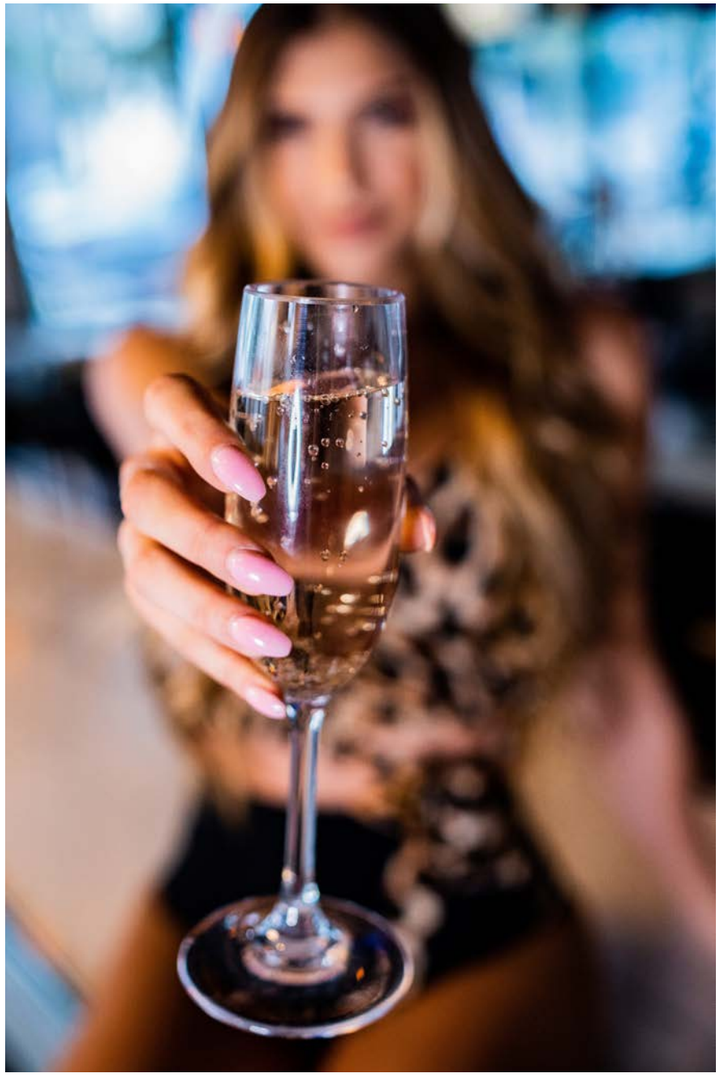
While the social space will continue to evolve, I believe that, in terms of social media, there are two areas in which every winery should invest time and money – content and risk management – regardless of the social platform selected or the size of the winery.

Content is king!

First, stop for a second, and think about the motivations of your audience. Are they logging on to see which brands are hoping to sell to them right now? No! They are logging on for a bit of escapism, fun and to check what their friends are up to. Where does your brand fit into this space amongst their feed?

Know your audience, which platforms they're on and tailor your content to suit them – not you.

Second, make scroll-stopping posts. Sounds easy but it's not. We live in a world that is highly visual and where we constantly receive advertisements. Investing in high-quality images and video



(especially video!) of your winery, brands and personalities is very important in ensuring that you stand out from the crowd. Find a good photographer and/or videographer who understands how social media works and has the ability to package up your content for print, web and social.

Third, quality over quantity – always! Rather than think how much, think how good. Quality posts should be timely, relevant, engaging and consistent. Never post just for the sake of it. Have a plan, and invest in producing the best content, not the most.

When things turn to s%*t!

Don't risk all of your hard work and reputation by being unprepared for the worst. I've become an expert at scaring people about this issue but that's because I've been through it, multiple times. Whenever I see a major backlash, I immediately think of the person managing the social page and the hell they must be enduring, because it is truly awful.

First, have a crisis action plan. The social media backlash usually appears out of the blue; the abuse and threats hit you like a torrent, leaving you with very little time to consider the best action, and can escalate and spread exponentially, causing damage to your brand's reputation. Time is crucial, as is a highly considered response, one designed to ease and calm the situation, not inflame it further.

Be prepared by investing in a plan that outlines the steps your team should take if you're suddenly under scrutiny.

Second, develop a social media user guide and policy for your staff and give them a detailed presentation on it. Don't implement the policy without explaining the context and background. Allow them to ask questions and make them feel comfortable about representing the company online; also get them to understand their limitations. A policy and associated user guidelines, and the presentation explaining these, are essential, since you can't assume that staff should 'just know' what's correct if they've never been told; for example, that bullying isn't tolerated.

Third, don't panic. Continue to make the social media component fun, because your employees are usually your greatest advocates. Where appropriate, share with them what you're planning to do. Keep in mind that you never know what great content you might unearth just by having a conversation with them!

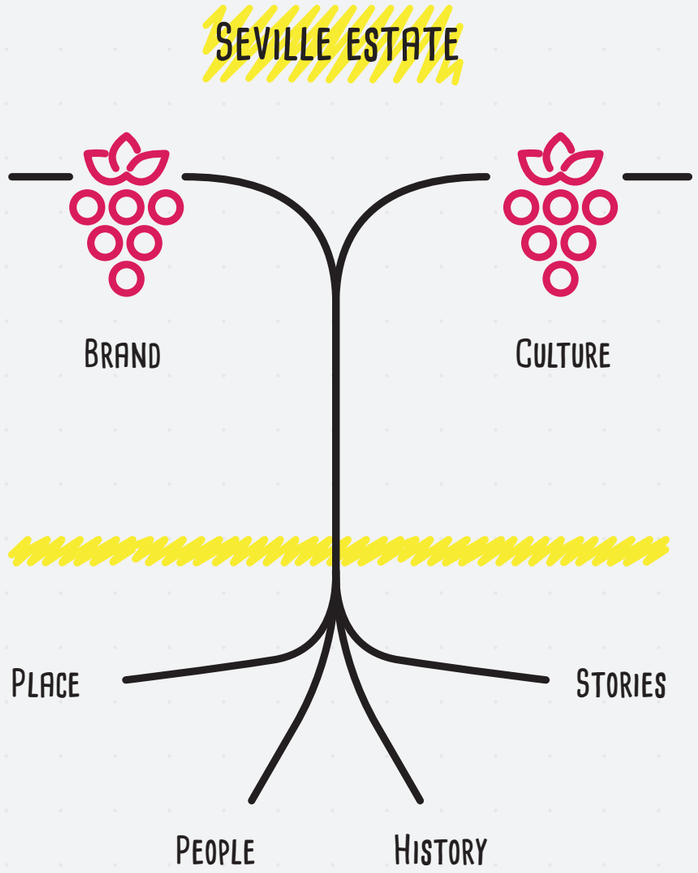
Finally

Where will the social space end up in another 10 years? With the ever-evolving space in digital, I'm not willing to speculate. What I will predict though is the influence that Gen Z is about to have. If you're not thinking about them in your social strategies and how they will connect with your brand, get started now. I don't need to try to 'convince' you on this one, do I?

THE IMPORTANCE OF CONNECTION

How stories are told from businesses to customers

by Dylan McMahon



Stories of place, history and people feed the growth of our brand culture. The success and quality of our brand culture is directly linked to how we tell these connective stories.

Culture is made up of stories, and as a business we need to be very conscious of the stories we tell.

In the early 1960s, my grandfather, Dr Peter McMahon, began to experiment with winemaking in his cellar in Lilydale. During the day he would care for his patients, and at night and on weekends he would endlessly work away in his tiny winery. His medical training enabled him to develop a most sophisticated laboratory, set up in his laundry, which would outshine some of today's winery set-ups. He loved the balance between being creative and applying science to his craft, although he wasn't particularly successful in the early years! Most of the wines he produced were undrinkable, yet he meticulously documented his mistakes and learnt from them.

By the late 1960s his knowledge and passion for winemaking had increased, leading to the purchase of land and the planting of his first vineyard. Interestingly, Seville, in the Yarra Valley, wasn't his first choice – the cooler side of the valley wasn't the popular pick amongst the early vineyard adopters. Once my grandparents had visited the potential site, however, they immediately fell in love with it and Seville Estate was established.

There is a beautiful simplicity to this story that still resonates with Seville Estate today. Peter's ideals and passion underpin our business, and his experiences and success are woven into our culture.

Stories connect us; they connect us to the land, its culture, to each other and to our customers. Stories are our brand currency and we need to be telling them in an authentic way.

As a winemaker, I recognise that there are several ways to connect with stories: stories of 'place', stories of the wines we make and stories of the people behind the wine – the winemakers, vignerons, founders and customers.

Importantly, our story of 'place' connects us to the history of this site – long before Peter and Margaret McMahon fell in love with what is today Seville Estate. Our location dates to the early Wurundjeri people. Believed to have been a meeting ground or ceremony site, it overlooks the Yarra Valley to the east, towards Warburton. Earlier still, this site was located on the banks of a river that snakes through the property. Volcanic activity of four million years ago buried the river in rich basalt soils, these soils substantially benefiting our viticulture today. This was a place of sacred significance to the Wurundjeri people: perhaps they sensed the potent energy below the surface from the water forces running through this ancient riverbed and used it for their ceremonies. Our modern telling of place respects, acknowledges and enhances our current connection to the land.

The cultural energy of this site is reflected in the current culture of Seville.

Stories of ‘people’ are fascinating, with their personalities adding a sense of connection. I’ve found that customers relate to my grandfather’s story of accomplishment, his passion, struggle and drive to create something. This resonates and builds a stronger connection between them and us and the wines we continue to make.

The stories associated with ‘wine’ are the connective links in the chain. Wine ties all aspects of place, history, winemaking and people together to form a coherent and influential narrative. Our wines also have these connective links and they are important to the story we tell. The Dr McMahon Shiraz is our tribute wine to my grandfather, with place, winemaking and people united in it. While the wine reflects the significance of the site and his struggle to grow the Shiraz variety in the early years, it is also an acknowledgement and appreciation of his winemaking efforts, conducted by means of deliberate and meticulous techniques, and honours him as a founder and industry leader.

I believe the history and culture associated with our brand is critical to our success as a business.

People don’t just buy our product because of its quality, they buy it because of the stories we tell. They are buying something to which they can relate or feel connected. This has been demonstrated in other industries or products, where ‘price’ and ‘value for money’ lose out to the culture of a business. Apple is a great example – there are cheaper phones and products on the market, but people want to associate with the brand.

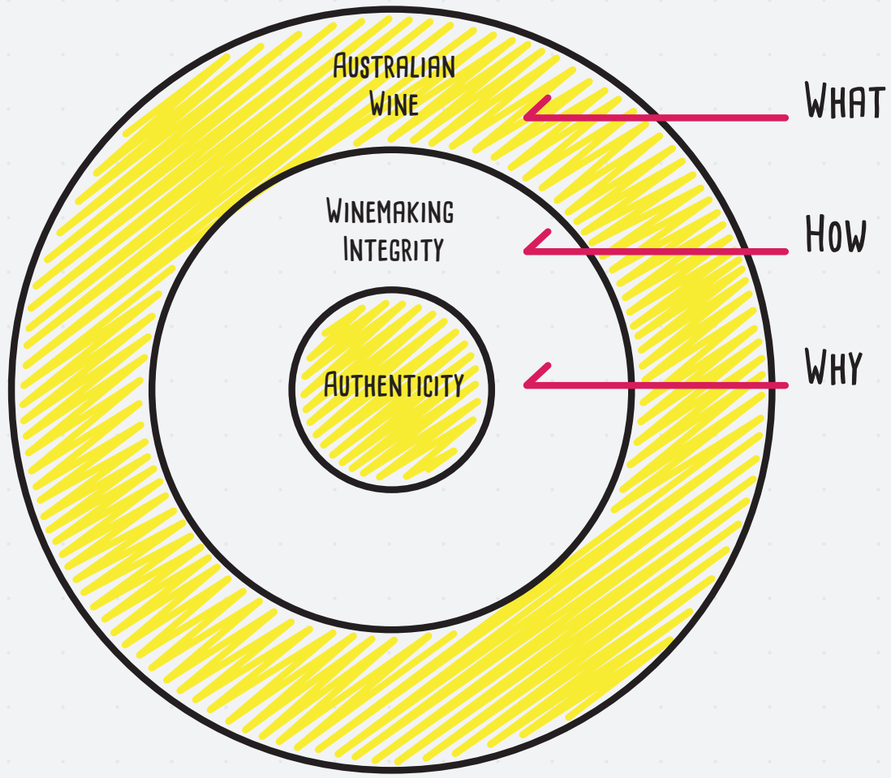
The culture and values enshrined in stories have a great impact on customer purchasing behaviour. I feel our culture has an impact because of our winery’s authentic historical foundations and its association with place; our customers can relate to them and they don’t rely on current trends or social status.

MARKETS AND EXPORT

THE LUCKY COUNTRY – FINDING OUR WHY

From Crocodile Dundee to Hugh Jackman...
showcasing the best version of Australia

by Chris Thomas



An adaptation of Simon Sinek's Golden Circle, to include a central why, a 'central truth' for all Australian wineries: the best version of Australia.

Whenever I arrive at the airport to head away on an overseas market visit, I inevitably run into a friendly face from the Australian wine scene – a fellow traveller heading away to pound the pavement, spreading not only their own winery's stories and achievements, but those of all Australian wine. With so many of us from the industry travelling the world we are all brand ambassadors for Australian wine, we are all custodians of 'The Lucky Country' and its stories.

The nickname, 'The Lucky Country', comes from the title of a book published in 1964 by historian and journalist Donald Horne. While this descriptor is most often used in a 'favourable' context, ironically it refers to a negative sentence from Horne's book: 'Australia is a lucky country run mainly by second-rate people who share its luck. It lives on other people's ideas, and, although its ordinary people are adaptable, most of its leaders (in all fields) lack curiosity about the events that surround them that they are often taken by surprise'.

Horne makes reference to Australia's abundance of natural resources, which we could simply sell to the rest of the world, without the need to value-add or innovate.

By its very nature, wine production is value-adding. Historically, however, the Australian wine sector could be accused of using its naturally abundant sunshine and generally favourable growing conditions to produce 'vibrant, juicy Aussie whites and reds': wines that were 'crowd pleasers' to the world, particularly the United Kingdom, our favoured market during the boom of the 1990s.

This strategy was implemented with the best intentions, giving the market what they wanted – friendly, fruity, well-made, clean wines. This approach however could be responsible for the perception of Australia as a producer of 'sunshine in a bottle' wines, wine lacking a sense of place or purpose.

Note, that I say 'perception', as Australian wine has always had a sense of place. But as a sector I believe that, in the past, we did not tell the complete story: we did not explain our 'why'. We needed to do more to control the message and the conversation around Australian wine. Rather than accepting the legacy embodied in Horne's statement, we need to overtly demonstrate Australia's capability to value-add.

We need to show our capacity for innovation, creativity and belief, to explain why our wines are unique and truly world-class.

Australia's 'why'

For all Australian wineries, a 'central truth' of the Australian wine story is critical. As a sector, we all need to develop a coherent version of the values and beliefs of Australian wine. If we look at Simon Sinek's 'Golden Circle', his model explains the neuroscience underpinning the belief that humans respond best

when messages are communicated to the parts of the brain that control emotions, behaviour and decision-making, leading him to conclude that ‘people don’t buy what you do, people buy why you do it’. So we need to focus on our ‘why’, a why that, I would argue, needs to contain an inner circle, the ‘central truth’ of all Australian wine.

Wine Australia has led the charge, offering us all a ‘central truth’ with the ‘Australian Wine Made Our Way’ marketing campaign. Wine Australia Chief Executive Officer Andreas Clark adroitly summed up the campaign with this statement: ‘the message we are taking to the world with vigour – under the banner Australian Wine Made Our Way – we’re delivering the news that we’re growing the most diverse, thrilling wine scene in the world’.

With this confident sector message and revitalised self-belief, we can all tell a united story to the world with confidence.

During a 2017 interview ‘Talking Australia and Wine’ with Master of Wine Lynne Coyle, Oz Clark summed it up perfectly by commenting that ‘Australia has rediscovered its belief in itself … this fantastic self-belief and this great belief in flavour and character, not copying other people. Saying we are Australian, we do it this way, we think this is the best possible flavour’.

With such a compelling Australian wine story, we all need to add the best version of Australia to our own stories.

The best version of Australia

Adding Australia – and all that is implied by it – as a ‘central truth’ to our individual brand stories comes with responsibility…

We are not a Superbowl advert of a Crocodile Dundee character cooking a BBQ alongside a kangaroo and pouring wine to girls in bikinis. We need to be Hugh Jackman performing on Broadway to a standing ovation – of course wearing a handmade pair of R.M. Williams boots!

‘Australian Wine Made Our Way’ celebrates the authenticity of Australian wine, the strong bonds of camaraderie in our community and the excitement of striving for excellence and being innovative in producing wines bursting with freshness. The best version of Australia.

In summary

As a sector I believe we need to capture a sense of Australia as our ‘central truth’ – Australian Wine Made Our Way, the underlying ‘why’ that is true of all Australian terroirs. That we all embrace this central truth is particularly important in ensuring that we maintain our hold and continue to grow in emerging markets such as China and re-engage with old friends such as the United Kingdom.

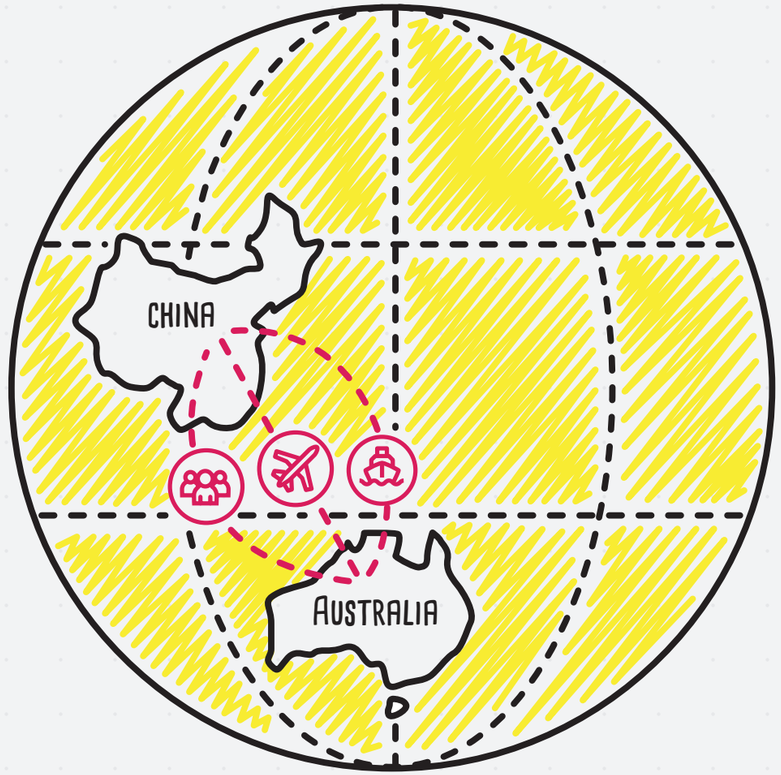
Most of all, we need to embrace the Australian spirit and push forward with a united central truth, as we are stronger together than we are apart. As Bob Hawke said, ‘The world will not wait for us’. So, let’s get out there and pound the pavement. By presenting a united front as we showcase the best that Australia has to offer, we will break the glass ceiling and challenge the status quo of Australian wine on the world stage – in a pair of R.M. Williams boots of course!

Photo credit: Wine Australia

THE CHINA RIDDLE

A three pillar roadmap for producers,
big and small, to build a sustainable future
in the world's biggest marketplace.

by Matt Bahen



Whether its people transfer comprising tourism and new migrants or the product we are sending, the sheer volume of our engagement with China is unprecedented in Australia's short history. The strength of the Chinese market and the growing Chinese-Australian population mean that an awareness of the China-effect on our industry is mandatory for all of us.

For a decade now China has been the source of optimism in the Australian wine sector. 'How's the family, sold anything to China?' is the modern handshake refrain. As a market it's big and it's growing, but uniquely. As an emerging superpower seeking control, the country itself seeks influence through vertical integration and the purchase of production assets.

While China is arguably the primary export market of the future, it is imperative that, at the individual cellar level and as a collective, we safeguard our own individual brands and 'brand Australia' while at the same time creating and maintaining a sustainable market.

Solving the 'China riddle' is perhaps a pipe dream, but acknowledging and navigating the influence that it will increasingly exert on the future of the sector is key to building a strategy for long-term success.

Why China?

Regardless of the size of your operation, a key component of future readiness is diversity of channel, and that should involve a healthy export strategy. China is one obvious choice, but one that requires long-term effort and vision.

Allow me to present some sobering facts: after 25 years of effort, wine imported into China still only represents 1.5 per cent of alcohol consumption, a whopping 1.8 bottles per person, per year; imported wine by volume declined slightly in 2019; and the scale of market fragmentation is such that the number of private labels dwarfs legitimate ones. To expand on that point, domestically, our 3000 wineries account for over 10,000 brands. In China, Australia's 2000 exporters account for an estimated 30,000 'brands'. Extrapolated across the 20 odd countries exporting to China means that there are over 500,000 imported wine brands in the China marketplace.

Still, this market will expand, and Australian wineries are uniquely positioned to benefit. The best way to 'win at China' is to focus on a three-pillar strategy, one that incorporates the market itself, the tourism sector and the Australian Chinese diaspora.

How China? Boats, planes... and people

The primary aspect of a China strategy is the market itself. The most recent import statistics listed over 7000 Chinese importers. The great majority are logistics entities merely facilitating imports, but thousands of potential partners remain. Identifying a partner is as much luck as hard work but it's certainly possible to influence luck. Prepare the

Photo credit: Wine Australia

materials to tell your story, treating modesty as something overrated, and don't be distracted into chasing an imagined 'taste profile' in a culinary environment so diverse you'll eventually find a receptive palate.

While access to the market is one element of an engagement strategy with China, Australia is lucky enough to be exposed to another pair of modern-day China elements and it's important not to lose sight of these second and third pillars, which are closer to home and possibly offer a faster return on investment.

Tourism, the second China pillar, is in many ways an obvious approach, since Australia benefits from almost two million Chinese visitors per year, many with an eye to visiting a winery.

If you're on the tourist route, promote for all you're worth. If you're not, consider a pop-up, regional action or maybe a collaborative arrangement with a business that is.

The third China pillar is perhaps the most important for Australian wine producers – the largely overlooked Chinese community in Australia. Estimated at over 1.5 million, they represent a large and disproportionately wealthy demographic. Although interested in wine, this group, because of relatively low English literacy levels, is largely excluded from communications and marketing and sales activity.

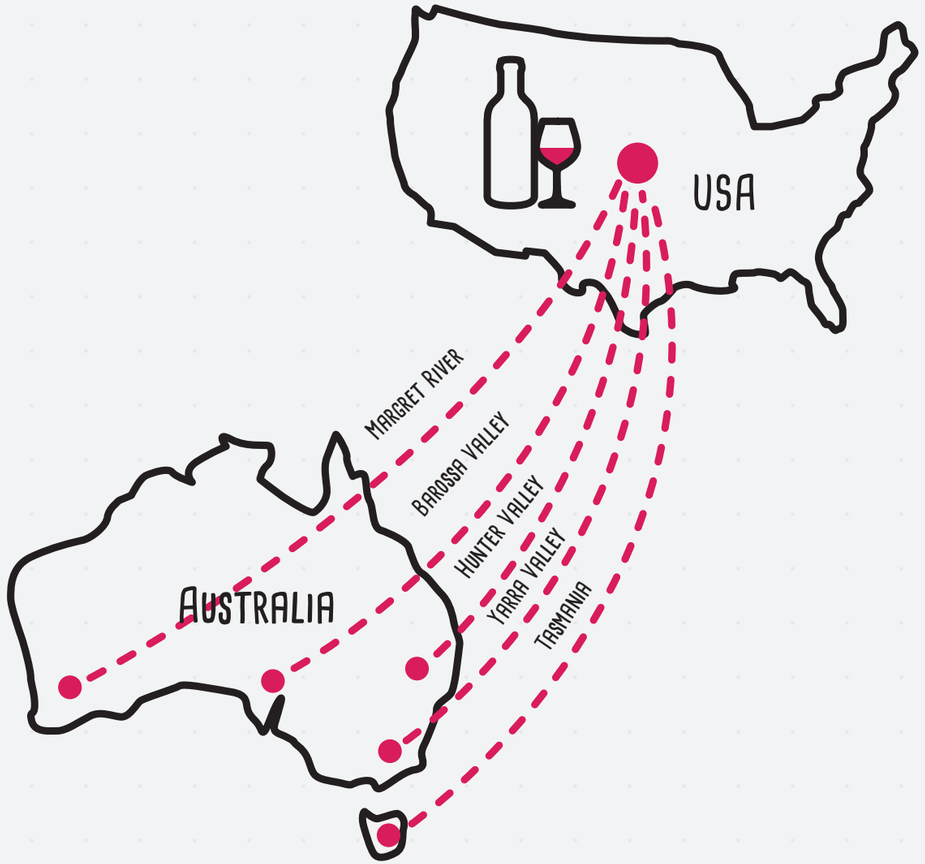
Australia's 'one-dimensional' retail sector is also unsuited to the consumption habits of the modern Chinese migrant, and the advertising methodologies these platforms employ mostly ignore non-English speakers. Big box liquor retailers are not a common destination for the average Chinese consumer at home. Throw in online platforms that offer random selection and auction sites hoping to interest a customer base with little knowledge and a natural distrust of product authenticity. These marketing approaches define a market landscape that almost intentionally excludes this consumer group.

A holistic approach to China is one that targets all three pillars. Engage an import partner passionate about the brand with which you can grow. At this stage, size of said partner should be secondary to potential and malleability. Interact with the local Chinese community to nurture interest and create local content and work with your regional association to be part of the experiential commodity that is our proud and famous brand Australia.

THE AMERICAN DREAM

Reconsidering the traditional 'route to market' approach for sustainable success in a competitive, fragmented and challenging market

by Tom Donegan



Collaboration is key for Australian wineries to enjoy sustainable success in the US market.

China and the ***United States***: buzz words in the Australian wine business scene in 2019, with the future of premium Australian wine largely depending on success in these two markets. China is happening and growth has been significant, although the second coming with the US market has been stuttering.

Geography

A significant challenge for Australia is our location. We are the most inconveniently located wine-producing country for accessing the US market; and are also at a disadvantage in welcoming the 'time-poor' US wine professionals and wine lovers to our vineyards to experience our wines first-hand.

Wine trade and consumers based on the east coast of the US have easy access to the wine regions of California, Oregon and Washington State, while enjoying closer proximity to Europe, South America and South Africa. Trade and consumers regularly make flying visits to and from Europe, California and Oregon… while international wine regions (not countries) regularly market their wines in major US cities.

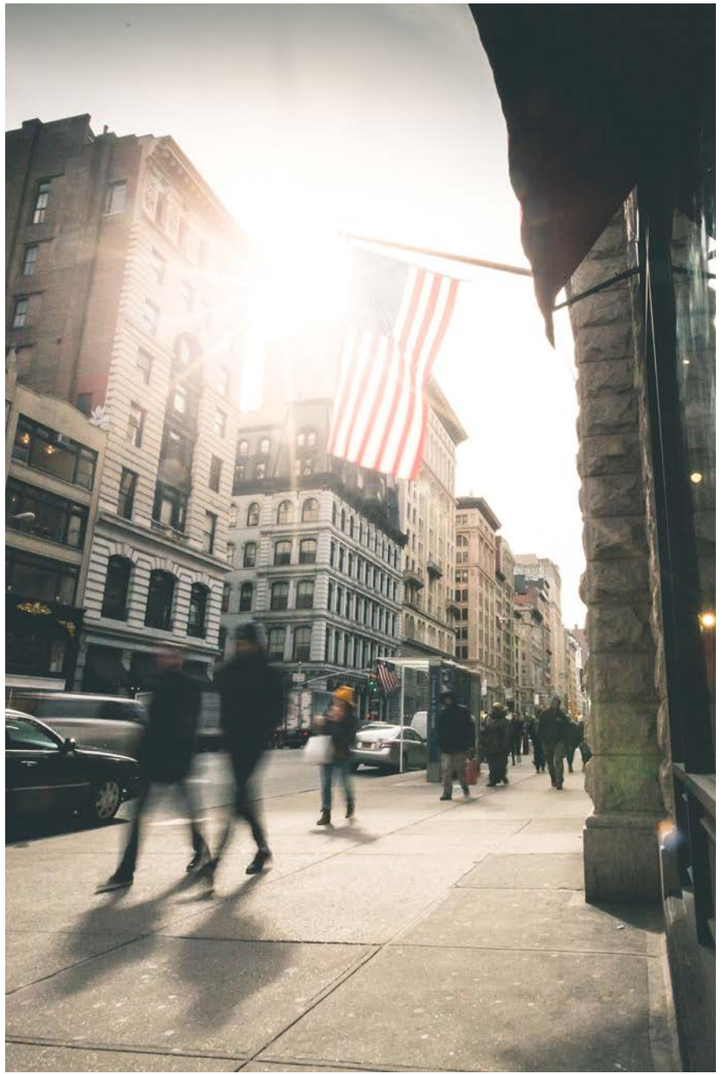
State of play

Australia is repairing an image as a producer of low-priced 'critter' wines, which continue to sell relatively well, although these aren't the only wines responsible for our lack of success in the premium market over the past decade. Overpriced, fruit-heavy and high-octane wines from some warmer premium regions in Australia rapidly fell out of favour as the market in the United States matured. Arguably, these damaged our image more than most would like to acknowledge, costing Australia significant wine-list and retail-shelf space in major markets. In the intervening years we have been reminding the US wine market to recognise our 'diversity' – the nuanced wines that possess freshness and lithe character. Although the tide is starting to turn, US confidence in Australian wines is not there … yet.

Adding to the complexity of the current situation is that the US market is now more competitive than when Australia first achieved success, in the early 2000s. The trade is more educated and demands authenticity; consumers are well travelled; importers are scarce; and, most importantly, distributors have consolidated, this last point being the salient issue for wine producers.

The funnel

The consolidation of the distribution system in the United States requires some elaboration. Twenty-five years ago, approximately 3000 distributors represented 1800 of the country's wineries. Today, fewer than 1000 distributors represent approximately half of the now 9654 US wineries, as well as a plethora of imports. There have been suggestions that the US should not be viewed as a single market, but a market made up of 50 sub-markets. This is somewhat true in terms of operating and local liquor governance; however, the 50 sub-markets experience a similar funnel effect, through which in excess of 10,000 hopeful wine brands are 'poured' in, hoping to enter



the local market through locally based distributors, with only a fraction of them making it through and achieving success.

Distributors are now very powerful 'middle men', who enjoy making money, and like most people who have accrued a great deal of money, they are risk-averse. Currently, they do not see a return on value for their time or dollars in taking a position on premium Australian wine. They will wait for the momentum to build, and then come on board.

The average mid-size east coast distributor will support between 400 and 600 wine brands, covering thousands of products. Between zero and five per cent of these will be Australian, with the majority being US or European wineries. The larger of these wineries financially incentivise the distributors to focus on their wines. Hence, if a sales representative takes six wines out on a day's sales calls, for four days a week, for 50 weeks a year, they have shown 1200 individual wines over the course of 12 months. The chance that some of these are premium Australian wines is low; the chance of their being sold is even lower.

The opportunity

A great deal of commentary has been generated about Australian wineries educating the US about our regions and our quality. Wine Australia is currently doing a good job with this and is an asset we should use as a base and build on, but not lean on. It is not their job to sell our wine.

Australian wineries need to be smarter about how they approach the US sales network, who we talk to and how we talk to them. We need to be strategic about time spent in the market and start to build some value-adds and unique sells for our wines. If we are serious about success, we need regional champions, those who will pave the way for their constituency. It is time for Australia's most highly reputed regions to market specifically to high-level international trade and media, with annual events similar to Bordeaux's En Primeur, Napa Valley's Barrel Auction or Oregon's Pinot Camp.

First steps

Relying on traditional 'route to market' pathways could be a slow process. More than ever, wineries need to be strategic, flexible and innovative about how they access the market, whilst being committed to a considerable time period to achieve genuine inroads. It is time for consortiums of Australian wineries to work collaboratively; adopt a unified approach to the market, perhaps appointing likeminded wine professionals as ambassadors or sales managers; helping to assume control over or influence on distribution.

It will take time to yield results, although, if regional consortiums and like-minded wineries work together, the results will be more meaningful and sustainable and put us in a stronger position for the future.

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ADOPTING CHANGE IN VITICULTURE

Variety is the spice of life

by Pete Breugem

Pete
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Pete Breugem is a Viticulture Consultant at Thomas Elder Consulting (TEC). Based in Adelaide, he provides advice from vine to wine, and from greenfield development to the bottled product.

His responsibilities include supporting producers in their efforts to implement the latest technologies to increase profitability and fruit quality; developing and implementing organic-management programs to help vignerons to achieve organic certification; and performing due diligence and providing advice during the acquisition of vineyards and wineries.

Pete is also an experienced grape grower and winemaker. He draws on his own experience, along with his specialist knowledge as a TEC consultant, in his advice to an array of clients.

The only constant in agriculture is change. This is no different for viticulture.

With any change – be it seasonal conditions, price fluctuations or new market opportunities – there are three avenues to explore, the first being resisting change – by resisting change, the industry is more than likely to be negatively affected in some way, shape or form. The second issue covers the idea of being reactive – quite often we make quick decisions to eliminate an immediate problem without exploring other solutions or taking the time to think about why? The final issue is concerned with proactivity – adopt and accept change – and this is the avenue where we need to invest time and resources to obtain the best outcome.

But what does adopting change look like in practice? And how can Australia's winemakers not only adapt to the drought sweeping the eastern seaboard but also to the changing weather patterns and climate change?

In Australian agriculture, there was once a saying that agriculture was as simple as 'just add water'. But as rainfall becomes more variable, what mitigation measures can we put in place?

And as temperatures increase, with profound impacts upon variety selection and viticultural practices, what can winemakers do to retain

yields and product quality? The answer involves an unrelenting focus on research and development (R&D) and technological advancement.

The increased use of satellite imaging, soil-moisture detection and plant-nutrient composition, to name but a few, has enabled us to make better-informed decisions, but we need to do more.

As a sector we have a renewed emphasis on increasing awareness about soil health and nutrition. We have moved on from the concept of 'just add water' to focus on educating vignerons and winemakers to recognise that soil health and nutrition are of equal importance to adequate moisture levels.

Research indicates that the market is receptive to companies taking a lead in addressing climate change. However, there is a strong divide – not only in the degree of consumers' engagement, but also in the nature of that engagement.

Companies need to do more to resonate with climate-conscious consumers. We need to communicate better about our practices, and explain transparently why these practices actually meet consumer expectations.

Similarly, when looking at the future of Australia's wine sector, how can we be better at marketing our products and positioning them as premium offerings? How do we address changing consumer demands, while improving production and increasing profit margins? Is there a way we can seek out new markets or demographics for our products?

There are estimated to be 2468 wineries and 6251 grape growers employing 172,736 full- and part-time employees across 65 winegrowing regions in Australia, contributing over $40 billion annually to the Australian economy.

Viticulture is a long-term investment. The average cost of establishing a vineyard sits at around $35,000 per hectare, with most not producing any revenue for at least three years. Aside from the expensive capital outlay, the real risk is the three-year waiting period prior to going into production.

With changes to consumer demand and preferences accelerating, the need for viticulturalists to forecast what these trends might be is becoming more important, further strengthening the argument that we, as a sector, need to take a proactive approach to stay ahead of the game.

This means a single-minded focus on R&D, technological advancement and product development, which, combined with more effective marketing, will reinforce Australia's premium position in the market.


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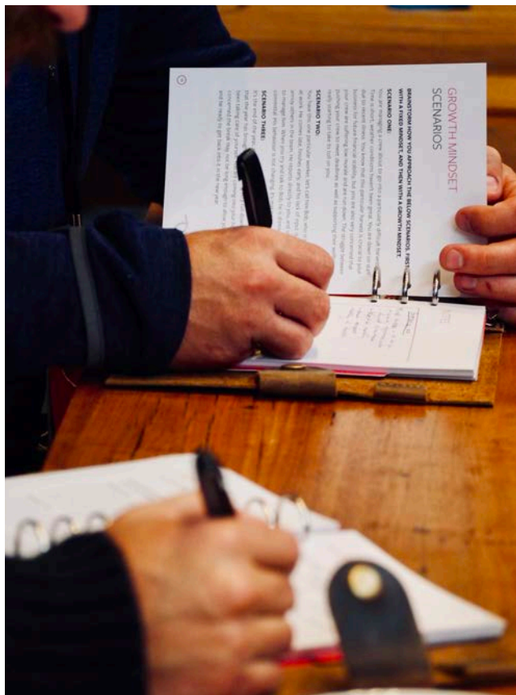
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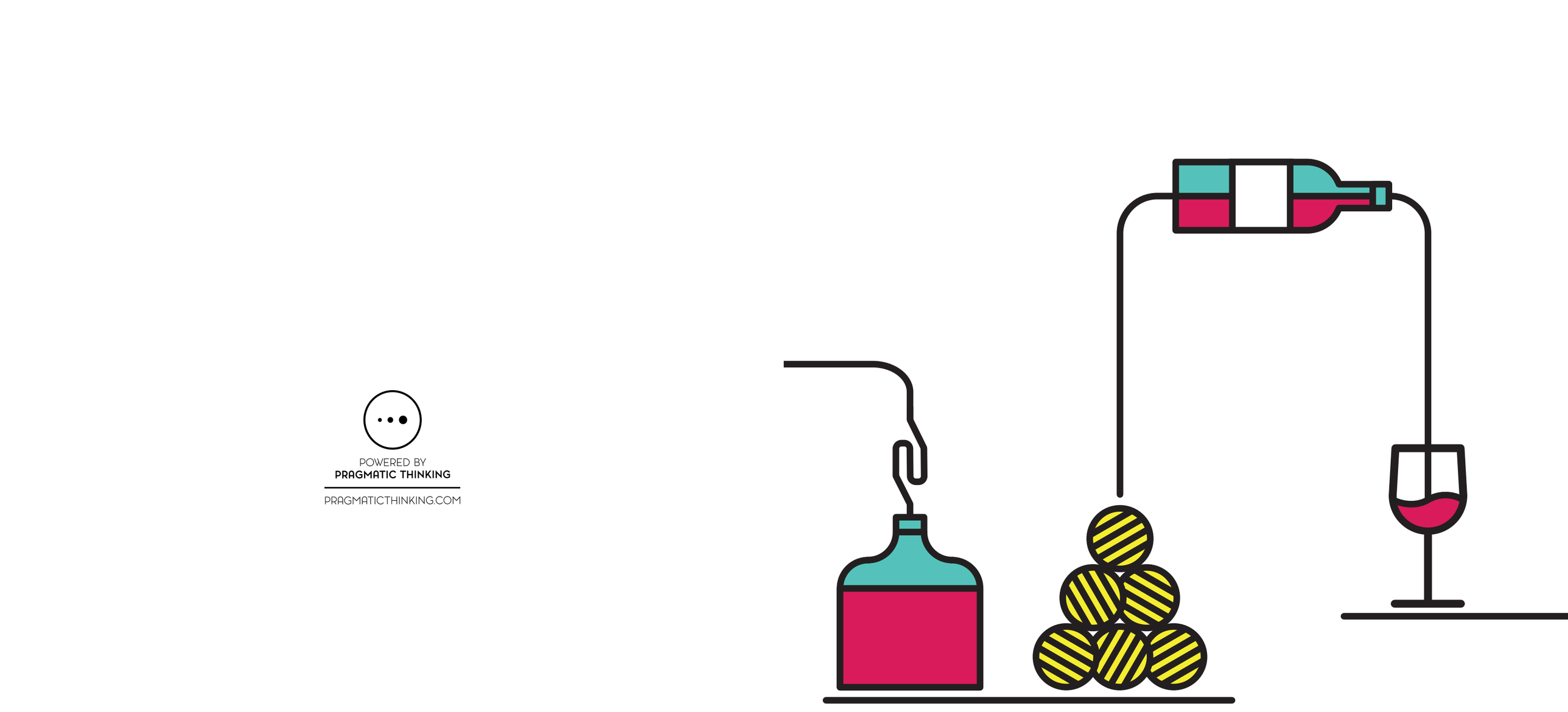

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