McLAREN VALE
GRAPE, WINE
& TOURISM

APPLICATION FOR ASSISTANCE TO DEVELOP STRATEGIES FOR THE McLAREN VALE WINE INDUSTRY

FINAL REPORT to

GRAPE AND WINE RESEARCH & DEVELOPMENT CORPORATION

Project Number: **RT 01/02**

Principal Investigator: **Andrew Buttery**

Research Organisation: **McLaren Vale Grape, Wine and Tourism**

Date: **25 February 2004**

EXECUTIVE SUMMARY

The funding from GWRDC provided the impetus to commence a long and detailed planning process which required consultation with many industry stakeholders. The process of business planning and consultation could not have been achieved without external assistance from a specialist wine industry facilitator. With the assistance of this person a project team was able to develop a comprehensive Strategic Plan and Operating Plan by which the McLaren Vale Grape Wine and Tourism Association could confidently move forward to achieve its objectives set down in 2000. Aside from developing strategies for the McLaren Vale Industry a sound long term funding structure was established to ensure that projects identified within the plans could be appropriately staffed and funded over the next 5 years. The practical benefits for growers in the McLaren Vale region are far reaching with an extensive program of workshops being undertaken in 2003-2006. In addition, all stakeholders in McLaren Vale are benefiting from a range of marketing initiatives which were previously unattainable due to the lack of resources available.

BACKGROUND

Further to the development of the McLaren Vale Winemakers marketing plan 2000-2005 a key factor in determining the success of McLaren Vale was to ensure a long term funding base on which the region could professionally manage marketing, viticultural and environmental projects that would benefit all stakeholders within the McLaren Vale region.

The original marketing plan objectives (attached) could only be achieved by engaging in a process of developing strategic directions incorporating growers, winemakers and other stakeholders and subsequently provides greater scope to invest in research and development to facilitate change.

OBJECTIVES

The primary objective was to develop a plan and organisational structure to meet the objectives stated in the original application and outlined below.

McLaren Vale wines to be acknowledged as part of the premium segment of the national and international wine market place, through the implementation of sustainable economic, environmental and social strategies.

Rationale: The name McLaren vale must be readily identifiable and valued as significant excellence in viticulture and winemaking.

McLaren Vale wines and the region to be seen as user-friendly and accessible to Australian and overseas visitors.

Rational: Visitors to the region are seen as very important to the development of sales and should become disciples of McLaren Vale.

By the year 2005, 80% of wine in McLaren Vale to be branded McLaren Vale.

Rationale: the wine produced in the region must be labelled as coming from the region to be associated with the positive image of McLaren Vale which has been nurtured by the marketing plan and the association members and held by customers and other associated with wine.

McLaren Vale to be Priority destination for national and international wine tourists.

Rationale: McLaren Vale wine is targeted at the premium end of the market. These consumers have the time and resources to visit the region and it is critical that visitors have an enjoyable experience when they visit.

McLaren Vale wines to be distributed through existing networks and e-commerce.

Rationale: Distributors are the most important customers for McLaren Vale wines and must be managed effectively. The use of e-commerce will expand in the future and the association must position it self to take advantage of this.

McLaren Vale wineries to be renowned for their hospitality and customer service.

Rationale: Given the acknowledged importance of visitors to the wineries for the ongoing support of our products by consumers, it is essential that visitors to the wineries have an experience with winery staff that meets their expectations.

Maintain and build community participation and commitment to the production of McLaren Vale wines.

Rationale: Experience in other regions has shown that the support of the local community is vital to the continued development in wine regions. Wine makers in the region have a long history of involvement in specific local events but these events may not be the most effective way to build this support

As an outcome of the project a number of ADDITIONAL objectives were stated in the 5 year management plan (refer to the attached). These are consistent with the original objectives outlined above.

METHOD

The process taken was as follows

1. Established a project team comprising local wine industry stakeholders
2. Engaged a consultant Stuart McGrath Kerr to facilitate a number of workshops for the project team. Out of the workshops a business plan was developed by McGrath Kerr.
3. On completion of the draft business plan other industry stakeholders were consulted for their feedback
4. The Plan was modified to reflect stakeholder input
5. The Final Plan was presented at a public meeting of growers in Feb 2003 and endorsed by all those who attended.
6. A 5 year Strategic Plan and a one year operational plan were submitted to the Minister for Agriculture Paul Holloway in June 2003
7. Contributions of $5 per tonne were collected by wineries on behalf of growers on June 30th 2003, Funds were held in trust by the minister.
8. A Viticultural Technical Officer was employed in August 2003. Similarly 2 new committees were formed called the Strategic marketing Committee and Wine Growers Development Committee to ensure objectives of both plans were met.

RESULTS/DISCUSSION

The process took significantly longer than originally planned. This primarily was due to underestimating the complexity of the task and the amount of consultation required with stakeholders. This consultation was essential to ensure that the plan was endorsed at its first phase of consultation with growers.

However, the overall outcome was exactly as intended. The Association which changed its name through this process to McLaren Vale Grape, Wine and Tourism Association Inc now has a clear strategic plan and operating plan to ensure that marketing, viticultural and environmental objectives are achieved. The achievement of these objectives is now possible through a sound funding base of all growers in the region. The plans reflect the priorities of all stakeholders within McLaren Vale.

Please refer to the attached Management Plan and Annual Operating Plan. It should be noted that these plans will be reviewed each year.

OUTCOME/CONCLUSION

As a result of GWRDC funding and industry contributions we now have a working document that employees and voluntary committee members are implementing on behalf of the growers and wineries of the McLaren Vale region. We have a number of Viticultural, Marketing and Environmental projects being undertaken which meet the objectives of the association. To this point we have had excellent feedback from stakeholders on the delivery of these projects and the positive impact they have on the region. We now have regular targeted communication with over 200 growers in the region which was not possible before this process commenced.

Looking into the future we have an annual review process of the Strategic and Operating Plans which will rely on the feedback of growers and winemakers to refine the plans to ensure we meet our objectives and remain a vibrant sustainable industry within the McLaren Vale region.

BUDGET RECONCILIATION

EXPENDITURE	**GWRDC**	**Actual**
Preparation and facilitation		$ 2,000.00
Ongoing Facilitator assistance to June 2003	$11,000.00	$12,000.00
Administrative Support Winemakers Office		$12,500.00
Meeting Facilities and materials		$ 2,000.00
Strategy Development, layout and meetings		$ 2,500.00
Total		$31,000.00

INCOME

McLaren Vale Grape Wine and Tourism		$20,000.00
GWRDC	$11,000.00	$11,000.00
Total		$31,000.00

All figures GST inclusive.