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The Toast of the Industry



McWilliam's Wines has built a diverse portfolio of brands while entering some competitive foreign markets. This winemaker is elevating the quality of Australian wines domestically and overseas.

Images by Scott Ehler

Having worked with some massive names including Ticketek, SPC Ardmona, and Coca-Cola Amatil, plus establishing and running his own company in the US, Robert Blackwell brought a strong background in retail and manufacturing to his position of CEO at McWilliam's Wines Group. After three years at the company's helm, he's learned the three main challenges of the industry and how to contend with them. "One is surplus wine in the Australian market. We've got a continuing oversupply of grapes in the Australian market, which impacts on the pricing and the price growth that we can all achieve from the marketplace.

"The second one is retailer concentration; the two largest retailers, Woolworths and Coles, now control over 70 per cent of the Australian liquor market. That's quite a concentration of retailer. And the third piece is that our export business has been negatively impacted by the strong Australian dollar; when the dollar went over parity, our exports

declined considerably in all markets around the world. They're the three big impacts on the wine industry."

According to Robert, McWilliam's Wines has one of the most diversified portfolios of any wine business in the country. "We're in five distinct regions: the Riverina district in New South Wales, the Hilltops region in New South Wales, Mount Pleasant in the Hunter Valley; we own the Evans & Tate brand from Margaret River, and we also have the Brand's Laira label from Coonawarra.

"We redefined our brand architecture around those five distinct regions. For example, we used to produce some wines out of the Hunter Valley made from Hunter Valley-sourced grapes and grapes out of south-eastern Australia, and we used to do that with some of our other labels. We wanted to step back and become pure regional wines; today, anything that comes out of Mount Pleasant in the Hunter Valley is sourced from purely Hunter Valley grapes, and the same goes for the other brands.

"It sounds quite logical, but over the years McWilliam's has started to merge regions and we wanted to get back to distinct regions, which helps us communicate to people who love wine that we're purely from one place and they can identify us from one place. That has been good for our consumers, and it's also been very important for the way we talk about our portfolio to our retailers and the wine writers of the world."

Another change that Robert has implemented in the business is the premiumisation of its portfolio. "McWilliam's has a history of having a large part of its portfolio selling for less than \$10, so we're looking to increase the range of wines and the mix of our business to 15-, 20-, 25-, 30-dollar wines. We've started that journey, and it's meaning more margins and more profitability for McWilliam's, our customers, and more choice for our consumers as well."

With a refreshed portfolio and image, McWilliam's Wines has been pushing into the US and Chinese markets, which has been a challenge for the company. "For all Australian wine producers, those >

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markets are negative on the prior year because of the Australian dollar and because we compete on a global stage. From our point of view, what we’ve done historically is focus on the McWilliam’s brand, which has always led our business, but with those other strong regional brands such as Evans & Tate and Brand’s Laira, we’ve really pushed into the export markets. It has given our sales teams a much stronger diversified portfolio.

“We’ve also done an enormous amount of work on the artwork of our labels. Historically, we had a lot of words on our labels, so we’ve moved away from that to become far more pictorial in our presentation. If you look at the old and the new in our business, we’ve gone from words to pictures and that’s what consumers want. That’s

been undertaken over the past 12 to 18 months and we’re growing sales quite strongly in a very tough market, so it’s been working.”

Technology and the increasing digitalisation of business has had a major impact on McWilliam’s Wines. “About 18 months ago, we embarked on a comprehensive digital strategy for McWilliam’s. As an outcome of that, we’ve launched four branded websites, so each of the brands has a dedicated website. They’ve got video content of winemakers at each of our wineries, images of grapes being harvested, and there is a lot of great content on there. We’re pretty happy because we won the Wine Communicators award for the best digital website in Australia. We’ve only been in it for 18 months, so we’re pretty happy.

“McWilliam’s has also made investments in supply chain, in terms of systems and people capability, to improve how we service our customers and

deliver in full and on time. We’ve made investments in technology and people on the supply chain to create and deliver great customer service.”

McWilliam’s Wines has undergone some tremendous change, bringing new people into the business over the past three years. “A lot of them are non-wine people; they’ve come in with new thinking and they ask the question ‘Why?’ Part of our cultural journey has been to bring new people in who have skills and talent and then partner them up with our winemaking teams in our wineries who have excellent knowledge.

“The people that we’ve brought in have fantastic skills and experiences outside of the wine industry, but they also have a way of working that is very collaborative with the people who have been in the business, and they respect their knowledge. We’re very respectful of the way we work, we’re very collaborative in the

way we work with each other, and we do that with our customers.”

Externally, McWilliam’s Wines works closely with its retail partners to offer more to customers and help streamline the company’s supply-chain management. “A lot of the new product development over the past 18 months has been done in partnership with our retail customers; so we’ve created concepts together, worked through them all, and if they didn’t like them then we started again. The collaborative nature of our business and the way we work with customers is very important.”

Robert is excited about the future of McWilliam’s Wines and is proud of the work his team has put in. “We’ve done a lot of hard work on our brands and we’re getting

the results for it. We’re very excited about our export market opportunities. We think the US market is recovering; they know Australian wines and they know the quality, so we’re embarking on a new launch into the US, and we’re pretty excited about the growth potential.

“I think we’ve just scratched the surface of China as an export market. It’s a more complex market, but the rewards are there if you get it right. We’re excited by the fact that we’re getting good results from quite a few of the initiatives that we’ve undertaken. We’re looking for some solid growth out of the export markets and being able to capitalise on the investments we’ve already made.” •

“McWilliam’s Wine Group has been a long standing partner of BevChain. Quality and customer service, extending to both large and small customers, is their focus. BevChain shares these values and looks forward to many years of collaboratively servicing the Australian wine market.” - Kylie Fraser, BevChain, CEO



“Our longstanding relationship is based on heritage, strong brands, and a determination to innovate to meet contemporary demands. For Classic it has been research—the benefits that new oak barrels bring to McWilliam’s and other great wines of the world.” - Peter Dunlop, Managing Director, Classic Oak Products Pty Ltd



Helping fine wines become great

In the modern, dynamic wine industry the hand crafting of great wines is often overlooked. Sometimes the same can apply to the heritage that great companies like McWilliams bring to the fabric of their industry.

Similarly understated is the role of new oak barrels and whilst globally only 2% of the world’s wines are made using them, a high proportion of the ‘great wines’ of the world are handcrafted in them. For almost two centuries the cooperages of the Tonnellerie François Frères Group have been producing barrels for these wines. Like McWilliams, the TFF Group has evolved from humble beginnings to now having its brands internationally recognised. Through its Demptos Research Centre at the University of Bordeaux, over the last 20 years it has quantified the science to explain why new oak barrels provide that added dimension to allow very good fruit to realise its full potential. Classic Oak, on behalf of the TFF Group, congratulates Robert Blackwell and his team on the continual evolution of their business and is pleased for many decades, to have been part of their premium wine program and we now look forward to the future.

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