

Packing a punch

Collaboration leads to better outcomes for wine bottlers and packagers

Hundreds from across Australia's wine bottling and packaging sector recently came together in Adelaide. As **Hans Mick** reports, the Wine Packagers of Australia 2018 forum provided an important chance for industry operators to collaboratively discuss common issues and share solutions.

It's been more than five years since a number of Australia's leading contract wine packaging companies came together to form national body, Wine Packagers of Australia (WPA). It was set up in early 2013 with the objective of providing a new and collaborative approach for its members, to trouble shoot and cooperate to overcome some of the common issues facing manufacturers and suppliers to the wine industry.

It's a strategy that's worked well, if one is to judge by the turnout to this year's WPA national forum, held at Adelaide's National Wine Centre in May.

The original idea for the WPA was spearheaded by chair (and Vinpac

International general manager) David Hutton. Speaking at this year's gathering, he said it's an important event to ensure standards are set across the industry by transferring practical knowledge.

"[Once] we all believed that we had a uniqueness that gave us market advantage and so we didn't talk. What we discovered though was that it's your service that gives you the market advantage, not manufacturing capability," he explained.

"So we identified we all have the same problem, and so that worry disappeared where we thought that we'd compete too much with each other by being collective. It actually worked the other way.

"I think that we're stronger in the way that we service our customers and what we do with them. And now capability wise, we're getting better at delivering that capability to our customers, so it doesn't matter where they go, they get good service.

"They then get to pick what they want from their contract packer, because we all do something uniquely different. Whether it's size or format, it doesn't really matter."

Chief executive officer Andrew McPherson, from Central Victoria-based contract wine bottler and packager OzPak, shared Hutton's enthusiasm for the sector-wide cooperative approach.



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WPA chair David Hutton said the forum is an important way for manufacturers and suppliers to discuss and overcome common concerns.

"It's critical to get all sectors of the supply chain together. Historically we didn't speak to each other and we didn't understand the limitations of each of those silos, if you like.

"So, it's understanding each other's problems and limitations and then working together collegiately to overcome those issues," McPherson said.

"One of the great things about the wine industry when I started – and that was back in 1968 when there were only 200 wineries, not 2000—was that that you spoke to the bloke next door.

"If you've got a problem you went and borrowed a hose or a pump," he said.

"So [the WPA forum] is about getting everybody together, and talking to each other. There's this cross pollination of ideas."

McPherson said the supportive spirit of the event is in contrast to how it used to be.

"I did point out that you had ten people who would cut each other's throat for sixpence.

"But what we all discovered was that we had exactly the same issues, if we talked them through then we could get a collective solution that made our life easier."

"Interestingly one of the outcomes is that individual bottlers would have an issue and sometimes the supplier might say to you, 'well you're the only one with that issue' and now we can say b***sh**, there's a whole lot of people having the issue.

"So, generally, it's more if you can tell them what your problem is, then, quite often they can provide a solution.

"The other thing is that we're also setting a standard for the wine industry. I think that's very important, so it's a standard that's 'up there' and not 'down there'," he explained.

Hutton said it's often the smaller details that are helped by discussing common ground.

"We've done little things like having a 5mm reduction on the label panel on bottles. It doesn't sound much but what it does do, it allows us to be more successful in the application. We can run at better speeds, we're more efficient for our customers and they get a better product.

"Just that grain free border that we've done was quite interesting when we got into discussions over four years ago, how

people hadn't even thought about it and they hadn't thought when you cut your paper and you emboss it, the moisture goes straight in.

"By just having 3mm we've stopped lots of problems. So our customers get a much better product, and we can actually give them a better service at low cost."

Hutton said with companies experiencing a more transitory workforce, it is now more important than ever for business operators to share critical information.

"One thing that we do note today is that, particularly with new employees, they don't last long. So if you think about manufacturing, it used to be a career. Today, it's not really. So you've got that transient society of the younger generation.

"In the Barossa where we are, we have a lot of people going to university at this age, that just use it [as an] income while they study, so they'll do two or three days a week. Then they never come back, so you lose that skill set," he said.

"So [the WPA forum] is about sharing knowledge across all of us, so that



Kirsten Mills (left) from Guala Closures



Gary Friedman from Interpak talked about the manufacture of metal closures.

when we do have issues, at least we can go in and fix it together.”

This year’s day-long event featured a number of speakers who were enthusiastically received by attendees. Gary Friedman from Interpak, spoke about manufacturing metal closures; David Parkin and Sean McConnell, from Orora Fibre, discussed digital printing on wine cartons, while Andrew Kneebone, from Visy Board, talked about the future of smart packaging.

One well received presentation came from Endeavor Drinks Groups’ head of customer behaviour and data, Dr Violet Lazarevic, who presented an overview of global consumer trends.

“Customers are changing,” she told the forum. “They’re changing because of a variety of external forces [...] One of the big things with customers is that they’re becoming a lot more time poor, so they’re looking for solutions in the market around how to decrease the amount of time that they’ve spent on low value add activities.”

She said this is changing the way wine products are presented to consumers.

It’s an aspect of business that Hutton said is crucial for wine bottlers and packagers.

“New product development would be around 30–40% of all products into the wine market every year. If you’re

not doing new product development, if you’re not bringing new products in, you actually lose traction.

“[This] may be just repackaging – new bottling, new labelling, a new cap – or trying to remarket the product. That’s very big in our industry. Consumers change so you need to change.”

“If you look at America and cans, they’ve got a huge canned wine section now, particularly in cafés in San Francisco and LA. A lot of places only serve wine in cans. It’s one or two serves, it’s easy to do, there’s no wastage. The consumer doesn’t care, because they just crack it, put it into a glass and they drink it. And it’s convenient. You don’t have to open a big bottle or a small bottle and the packaging is cheap, it can be decorated well.

“I do believe it’s a category that will grow over time, not in the traditional market but to a new emerging market.”

OzPak’s McPherson agrees that change is constant: “You walk into a Dan Murphy’s and there are literally hundreds upon hundreds of brands, so your brand’s got to stand out on that shelf, you’ve got to give it sizzle.

Hutton said the WPA’s forum will continue to provide an opportunity for members to get together and work together.

“It’s important that it continues, that we continue to do the forums each year because it’s about conversation. If you don’t have the conversation nothing changes.

“And look, we have, for better choice of words, dragged people in kicking and screaming to sit at the table and have a conversation about what does and doesn’t work. I think originally everyone was worried about pointing fingers and blaming. That’s not what we’re about, it’s actually about saying if we have a problem how do we fix it, what are we going to do about it.”

“Our relationships today [between] the label suppliers, the carton makers, the screwcap and glass guys is completely different to where it was when we started in 2013. We have a much better relationship. It’s open and it’s honest and we have good discussions. It just works,” Hutton said.

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