

Foster's - new name, new focus?

21 Jul 2010 by Jancis Robinson

You may have noticed that I am not the biggest admirer of what Australian brewers Foster's have managed to achieve in the wine business. (For example, somehow bring about the virtual disappearance of the once incredibly strong brands Lindemans Bin 65 and James Herrick Chardonnay - and almost manage the same trick with Rosemount.)

Over the last few years we have become accustomed to news that they had put all their wineries, wines and vines up for sale, that they couldn't find a buyer, that they might stick around in the wine business, that they would cast off the wine division as separate from the beer division, etc, etc.

Today comes thoroughly exciting news. From henceforth Foster's wine interests will be known as Treasury Wine Estates. The delightfully named David Dearie, Foster's 'Managing Director Wine ANZ' [shouldn't that be 'managing director of Treasury Wine Estates'?- JR], pronounced earlier today: 'Today's announcement accelerates a cultural change and business transformation that began with the completion of the Wine Strategic Review in February 2009. With six of the 10 most collected wines in Australia [notably Penfolds Grange, miraculously kept aloft by winemaker Peter Gago, who deserves an OA for his pains], America's leading premium brand [that's quite a bold claim!] in Beringer Vineyards, and a collection of outstanding international wines, this is a valued business with impeccable credentials.

'Under a new name, we will become the guardians of a cherished wine heritage and build a global stamp of excellence in international wine. From here on, every employee is encouraged to have one foot in the boardroom, one foot in the vineyard and a focus on the global marketplace. [I wonder who wrote this?]

'It takes a special alchemy for a great wine to come into being: an ardent sun, a soft rain [nothing torrential, please] and a rich earth [not too rich, mind]. Above all, it requires the attentions of a devoted grape grower and winemaker. It's a delicate balance of science and instinct that yields a truly memorable glass of wine.

'Our business also requires its own sort of alchemy. Only the correct blend of leadership, vision, talent, wise investment, nurturing of assets, dynamic marketing, teamwork and unwavering faith in our product creates excellence [well, quite...]. And only then can we look to receive the rewards of customer recognition, profit and a return for shareholders.

'For us our new name signifies that we will now operate as more of a community; every member of the team should have a greater awareness of how this business operates. From today, sales and marketing, finance, winemaking and viticulture will all sit at one table - having the one conversation. The announcement today does not pre-empt any outcome for our demerger [ah! so the division is still being hawked around then], nor does it represent fundamental change in our business model. It does, however, represent the acceleration of a cultural change for those of us working in the wine business as we return to a dedicated focus on viticulture and winemaking [as opposed to...?].

The brands singled out for special mention in this load of florid management speak, incidentally, are Beringer, Matua Valley, Penfolds, Lindemans, Wolf Blass, Rosemount, Coldstream Hills, Devil's Lair and T'Gallant.

It's rather rich that there is no mention of the venerable Wynns when all this tosh is based, according to Foster's communications manager, on a meeting last March in Coonawarra, where Wynns was once such a towering presence.

¹ David Dearie together with a diverse collection of colleagues from across the wine business (winemaking, sales, marketing and viticulture) met in Coonawarra to immerse themselves in a story telling session to flesh out what the wine business means, stands for, is and should be. The ultimate task was to identify a unifying identity for our business moving forward.'

Amen to that.