

WINE BUSINESS MONTHLY

October 2012 • \$5.95

The Industry's Leading Publication for Wineries and Growers

www.winebusiness.com

2012 \$alary \$urvey REPORT



How the
WBM
30
Make Wine

Industry Roundtable:
Winemakers on Blending
Product Review: Deleafers
Flotation to Expedite Juice Clarification
How Much Constellation Saved by
Moving to Lightweight Glass

Mobile and Cloud Apps Improve Efficiency in the Cellar

Wine Business Monthly

October issue

Author: Michael S. Lasky

Wineries save time and money with new advances in wine production software.

With the wine industry entrenched in traditional production methods they have used for years, the mantra has been “If it ain’t broke, don’t fix it.” While that is still true today for many wineries, those that have taken advantage of today’s vast technology advances with Internet- and mobile based wine production software demonstrate what the future—and the present—holds for the winery industry.

Ditching a rash of clipboards and error-prone data entries on paper for a one-time entry on an iPad can be especially vital for small-production wineries with few employees. A good example of that is how Wine Management Systems’ cloud-based software accessed from an iPad transformed the entire barrel-to-bottle production at Carter Cellars in Calistoga, California.

Assistant winemaker Robin Akhurst explained how the portability of the iPad has improved the entire winemaking process: “Armed with my iPad, I can move around the winery and check and add data as needed on the fly. I can collect data anywhere and enter it right into the software on the iPad. I no longer have to carry paper or pen or write notes on my arm as I have had to do in the past.”

Akhurst added: “I can track my experimental blends as I go—to see how they work—what barrels are involved and what volumes of each wine are being used. I can quickly adjust the blend. And using the iPad, which is extremely lightweight, means I can conduct the blend test anywhere. I am not tethered to the lab.”

Akhurst said that laboratory reports are simple to use and create, and the Wine Management Systems software, which is accessed through the web browser on the iPad, gives a full working order of blend composition and chemical analysis. It can be graphed instantly to see what is happening with the wine. This is also helpful for the data required by TTB compliance filings.

“I’ve come to think of the software as a wine log which accounts for accurate inventory reports. The iPad is more like the wine-pad to me. Winemaking has become much more efficient in procedures and in the incredible amount of time it saves, compared to how I worked previously,” Akhurst concluded.

The iPad and iPhone, more than any other available tablet or cellular phone, have, in fact, infiltrated all parts of the American business sector. According to Yankee Group analyst Carl Howe, more than 72 percent of businesses that have tablets have the iPad. Although there are only a handful of wine- or vineyard-dedicated apps for the iPad or iPhone, their Internet connectivity opens the devices to what were previously enterprise- and PC-only winery applications—applications like Oracle’s JD Edwards Enterprise One Grower Management and Blend Management.

Getting Block to Bottle Control

Treasury Wine Estates (TWE), with its 54 wine brands, signed onto the Oracle JD Edwards applications four years ago. When Oracle added iPad connectivity, TWE purchased 150 to 200 tablets with a mix of WiFi only and 3G models for their U.S. wineries, according to Maggie Huffman, VP and global director, strategy and architecture.

“We implemented the Blend module, along with other JD Edwards’ modules, to give us management of product from block to bottle. Previously, employees were tethered to their offices because they would have to get to the office to enter data captured on paper outside. So they had a time consuming traipsing back and forth from field to office when an office visit would otherwise not be necessary. Or they would

have their administrative assistant enter the data. That left open the chance for misinterpretations or entry errors to be made," Huffman said.

"We found the JD Edwards' iPad app was pretty intuitive. The learning curve was not as steep as we had expected. One reason for this was the interface on the iPad is more graphically-based and quick to understand.

And if someone finds another app that is useful to their job, they are free to download and add it on, such as weather apps that assist so much in the vineyard. Other iPad applications, such as iCropTrak, and the temperature control and fermentation cloud-accessed app, TankNET, are easily integrated into the JD Edwards' core management system, too," Huffman said.

Rachel Ashley, director, technical viticulture and grower relations at TWE, added, "The cost of the iPads for the whole grape and supply team was justified with just two situations in harvest 2010. A grower was encouraged to harvest grapes prior to rain by showing him the updated weather radar and weather app out in the vineyard, thereby protecting the fruit integrity that may have been compromised by the approaching rain. The second example was a quick contract approval by senior management while out visiting remote regional vineyards; this secured an important spot grape purchase and also allowed fruit to be picked quickly in optimum condition."

Karl Wente, winemaker and operations VP at Wente Vineyards in Livermore, California, is just starting to implement the JD Edwards Blend Management system. "Information is power for decision making, from farming to winemaking. And the more instantaneously we can get information, the better," he said.

Wente has been using various mobile apps, such as AgCode, for harvest scheduling and pH level checks. "Having a uniform system with all information in one place makes creating wine blends that more efficient," Wente noted. "It is a clearinghouse for all information, from fermentation to checking malolactic production, for example. The software is not going to make the wine. I am. It just facilitates the process."

He added, "It used to be compiling data from lots of different sources, collected through manual entry on clipboards and PCs. The accessibility and user-friendliness of the information now have made a world of difference in getting this done much quicker and with a focused organization."

On the Spot Immediacy of Mobile Computing

Wente explained that mobile software lets the winery immediately know when grapes are dropped off, what the tonnage is and where they are. They can also see a table for temperature curves of every tank. "This sure beats entering the same data on a clipboard and then re-entering it into the system back in the winery. Now we have information in real-time, not after the fact."

Further praising the virtues of tablet and cloud controls is Cameron Parry, winemaker at Napa Valley's Chateau Montelena Winery. "We went from using six clipboards to using one tablet using VINx2 software. We found it all but eliminated the inevitable errors with paper data entry. We can take the lightweight iPad around the winery to check on various processes and enter updates in real-time. Before the iPad, checking on sugars had a lag time of 48 to 96 hours to get the results, for example. Not anymore," said Parry.

The winery was already using Acrolon's TankNet and that integrated with VINx2. The VINx2 application is referred to as "software as a service." No data or software is stored onsite, but rather off-site in the cloud or, as in this case, on VINx2 servers.

Parry also takes advantage of the cloud-based Dropbox application to store and synchronize Excel worksheets, crop forecasting and other projects on multiple computers and the iPad. As for blending, he said he is strictly old school. "We blend in the lab. Quantity is not an issue with us. Quality is—and that requires a personal touch."

Taking Care of Compliance Regulations in a Flash

“Don’t be fooled, it still can take a lot of time to enter data into a software application’s database,” noted Amanda Cramer, winemaker for Niner Wine Estates of Paso Robles, California. “But it saves a lot of time in the long run once it is in the system. And where we might not see a data entry error on paper, the software will catch mistakes, with the pop-up asking ‘Are you sure about this?’”

Cramer and her assistant winemaker, Patrick Muran, use VINx2. Cramer pointed out the benefits of the app with just regulation compliance alone. “Regulation compliance for blending can be fairly complicated, what with taking into account various AVAs, varietals and percentages of each in the blend. So when we are blending, we can go to our recorded data online and accordingly make adjustments. This also makes collecting and collating data needed for compliance easy because it is all in one place.”

Muran added, “Ninety-five percent of grapes must come from a single vineyard for it to be vineyard designated. The software keeps us on the straight and narrow on maintaining a single vineyard wine for correct labeling or renaming the final wine as a blend. We don’t actually use the iPad or computer in hand as we blend. It is a reference tool at that point in the process, but it cuts out a lot of back and forth with data checks.”

Muran likes that “I can log in on my iPad at night from home to see temperature variations and kinetics. The VINx2 software also lets us set reminders when, say, a preset target is hit in a tank or in other cellar activities.”

For both Dave Galzignato and Joshua Messina, the winemakers at the 2,500-case Jada Vineyard in Paso Robles, the cloud connection the VINx2 software uses meshes well with their small winery setup.

“While we don’t use it in the blending process, it is key for work orders and the vineyard crew to managing our watering decisions, especially with the wide temperature flux from the top to the bottom of our 90-acre hillside vineyard,” Messina said. “Because VINx2 is Internet-based, we can log on anywhere. This is especially convenient for my dad, Jack [the owner of Jada with his sons] who now lives in Florida.”

Apps Cut Labor Costs While Boosting Productivity

As Wine Business Monthly has surveyed in past issues, there is a wide array of winery production and winery sales software available. But it has only been recently, with the increasing pervasiveness of smartphone and tablet reliance in business and the rising acceptance of cloud computing, that these winery applications have incorporated support for them.

Bob Monahan, Oracle’s senior director, strategy and product marketing for JD Edwards Enterprise One applications, explained that adding support for the iPad didn’t take much deliberation. “Adding finger gestures to make mouse-like moves on the iPad gave customers mobile access to the JD Edwards’ applications.

“Three wineries consulted on the creation of the Blend Management module to be sure every possible data point required was incorporated. Then user groups and wine operations people and IT experts help to fine-tune each version of the product. The JD Edwards’ package is designed to encompass every aspect of the standard manufacturing process. It adds efficiency to set up routines and work orders, visibility to lots, varietals, quality information and keeping track of all attributes of blending management, from oak cask components to pH analysis, Brix check, different vintage years and AVA sourcing. With it you can simulate a blend, adjust it and then execute,” said Monahan.

While the software can be purchased or leased on a temporary license, it resides on corporate servers and is accessed from company computers or on an iPad via a secure Internet connection. Similarly, the cloud-based VINx2 is cost-effective for wineries since there is no software to load on computers. “Wineries pay a month-to-month charge to access the software. Since it is web-based, there is no

expensive update to load; that is done seamlessly on our servers,” said Joshua Abra of the Australian-based company.

“What truly empowers the winery is the application can be used in the vineyard or in the lab, and data can be entered just once in real-time, and everyone on the system can see the results simultaneously. This saves time for data entry and possible errors, as well as going back and forth between work orders, Excel worksheets and other database info,” said Abra.

Also, because VINx2 software has barcode support, wineries can use Motorola handheld scanners to read barcodes on barrels, further removing data entry errors, ensuring correct inventories and timely data updates.

The “if it ain’t broke, don’t fix it” mentality is still somewhat prevalent in the wine industry today, but that is changing as wineries that have adopted cloud computing and mobile apps are improving efficiency in the cellar as well as saving time and money.

The tipping point is upon us. It’s only a Google query away.