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# WINE INTELLIGENCE SYMPOSIUM @ LIWF

## “Meet the Mavericks”

Experience new business perspectives and reflect on your own strategic thinking

### Symposium Notes

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9:30am – 2pm 22<sup>nd</sup> May 2013  
London International Wine Fair



The wine trade sometimes feels as if it's run out of ideas, especially in mature, established markets like the UK.

Growth is hard to come by. Buyers are only interested in products that they can discount. Persuading consumers to trade up can seem like an impossible task. Innovation is in short supply. Marketing is, all too often, pedestrian and predictable.

However wallowing in the gloom is not really an option. There are people out there who have fresh ideas; people who will tear up the rulebook, if necessary, and try something completely different. They might cause some friction and upset as they pursue their goals. But that's what mavericks do.

At the London International Wine Fair on June 22, 2013, Wine Intelligence showcased some maverick thinking at a packed symposium. We heard from speakers who have been prepared to take an unorthodox and independent-minded route to success – some within the drinks industry, some in other fields.

The pages which follow summarise the presentations of all six speakers. They did not offer any quick fixes, or any easy solutions. Instead, they suggested new ways of looking at the challenges that we face in the wine industry ... and some inspiring ideas which could help us overcome them.



## David Scotland

Over the course of a long and illustrious career, David has worked at the highest levels in the global alcoholic beverages industry. Following a successful sales and marketing career at John Harvey & Sons, and five years at IDV heading up Cinzano's international business and, briefly, Percy Fox & Co, David joined Allied Domecq in 1992 as President of Europe.

From 1995 to 2005 David sat as a main board director of Allied Domecq plc, and spent the last three years with the company as President of its global wine division, which included brands such as Montana, Campo Viejo, Clos du Bois, Mumm and Perrier Jouet. Following his retirement from Allied in 2005, David now sits as a non-executive director of Inchcape plc and Brixton plc, and is Chairman of Thomas Preston & Associates and Wine Intelligence



## Lulie Halstead

Lulie is both an experienced wine industry practitioner and a leading wine marketing academic. She is co-founder and Chief Executive of Wine Intelligence.

Previously Lulie spent 8 years in the wine industry building experience in importing, marketing, retailing and new business development. Lulie is also an established marketing academic, specialising in the field of wine marketing and focusing on wine consumer behaviour, and lecturing on the Bordeaux Wine MBA and WSET Diploma.

She frequently speaks at industry and academic conferences around the world, presenting papers on issues such as wine branding, consumer behaviour and new product development. She is a full member of the Market Research Society.



## Rich Walker

Rich Walker studied Maths and Computing in the wilds of Cambridge, and then decided to go to London to build robots rather than getting a job in fast-growing Silicon Fen. After spending some years being the most commercial person in a group of engineers who had accidentally set up a company, he became the MD of Shadow in 2009.

He immediately discovered why no-one else wanted the job. He now leads the company, having discovered the key secret of delegation, and works with people and organisations all over the world to understand how robotics technology can change what they do – hopefully for the better.



## Prof. Michael Beverland

Michael Beverland is Professor of Brand Management at the School of Management, University of Bath. Michael hails from New Zealand (although he considers Melbourne, Australia home) and began his academic career focused on researching strategic issues within the Australian and New Zealand wine industries. His PhD (University of South Australia) focused on successful growth strategies with the Australasian wine industry.

Recently his research has focused on branding, with a particular focus on managed authenticity. His current book, *Building Brand Authenticity: 7 Habits of Iconic Brands*, examines how firms maintain brand value over long periods of time. Michael is currently working on a book focused on design-driven innovation.



## Sarah Warman

BrewDog was established in 2007 as a result of co-founders James Watt and Martin Dickie's passion to ignite a revolution in the UK's beer scene. They started producing craft beers with a heart and a soul, a flavour and a purpose and quickly gained notoriety for their ability to challenge convention and push the boundaries of brewing. This was accompanied by a tenacious attitude towards stagnant binge drinking cultures and a knack for shocking yet entertaining and effective marketing tactics.

Sarah has been working with BrewDog for just over two years. She originally worked with BrewDog's external PR agency and recently moved in house to manage the social media strategy, support events teams and develop BrewDog's digital marketing. BrewDog allocates zero budget to traditional advertising, relying solely on connecting directly with consumers through events, social media, PR and its rapidly expanding bar division to promote the brand and product range.



## Tyler Balliet

Tyler discovered wine while attending college in the Pacific Northwest. He learned the culture surrounding wine while living for a year in rural France, and then honed his skills working at a wine shop on Newbury Street in Boston. Second Glass was born out of Tyler's desire to create a fun, entertaining atmosphere when learning about wine.

Tyler has been heralded as a new voice in the wine world. He was also profiled as one of 2010's most exciting young entrepreneurs in INC Magazine's 30 Under 30 and crowned "the prince of Boston's wine revolution" by Stuff Magazine. Tyler has written for Boston Magazine and held a column in the Weekly Dig and was a regular on the NECN Morning Show. He's also appeared in The Boston Globe, The Boston Herald and Boston Metro.



## Tim Atkin MW

Tim is an award-winning, UK-based writer, photographer, wine judge and Master of Wine. He is currently the co-chairman of the International Wine Challenge as well as Editor-at-Large of Off Licence News. As one of the most approachable wine figures in the industry, Tim consistently engages international audiences through his positive use of social media platforms such as blogs, his website and Twitter.



*They're irritating, unreasonable and often go beyond their authority. But, says **David Scotland**, a properly-deployed maverick can make a big difference*

**Mavericks are annoying.** They disrupt things. They ask awkward questions. They throw hand grenades into meetings. No wonder they are often described as immature, at least by those in the herd. But as David Scotland points out, their questions are important ones, even if they cause irritation at the time. "Why?" "What for?" "Who says so?" "I don't agree." "Yes, but is it sustainable?"

"Maverick thinking is disruptive," he says. It can create chaos and blockages, as well as personal discomfort for the mavericks themselves. Galileo's genius in the field of astronomy saw him condemned for heresy, forcing him to live his final years under house arrest. Darwin's theories on evolution were so controversial that the ripples continue to be felt to this day.

But, argues Scotland, "maybe only disruptive behaviour actually changes things. Bernard Shaw says the reasonable man adapts himself to the world. The unreasonable man persists in trying to adapt the world to himself: therefore all progress relies on the unreasonable man."

Unreasonable people, including mavericks, are not usually popular colleagues. "Often they sound passionate and full of ideas. But they're frequently provocative and can be quite random," Scotland says.

When companies are involved in succession planning, mavericks are often dismissed as "immature" by their more conservative-minded bosses. "The easiest thing is to move on without them," Scotland admits. But he adds that "a lot of mavericks are survivors; they are resilient".

They also, Scotland admits, go beyond their authority. "As a type, mavericks tend to occupy territory they're not meant to." But this can be a positive. He cites the example of a group of marketing people, locked in a meeting room, obsessing over a product. You can put shareholder interests at the top of your agenda, and simply make some changes to the packaging. But a maverick will leave the meeting room, and find out how the product is actually being used by consumers.

Throwing the metaphorical hand grenade into a meeting doesn't have to be as deliberately mischievous as it sounds. "My best thinking happens really quickly, and boards have to live with it," says Scotland, a veteran of IDV, Percy Fox and Allied Domecq. He argues that businesses tend to promote aggressive, high-IQ people, and perhaps pay insufficient attention to those who may have been described as "lazy" or "dreamers" during their time in the education system.

"We are hard-wired to be neophobic from childhood, and worry about things that are new," he adds. "We rely on people that love facts and details. The downside is that they like things that worked for them in the past. That's sensible. But it can block new possibilities."

Yet it's the "difficult conversations" started by mavericks that led to trade developments like bag-in-box wine and screwcaps. "All of those things seemed like revolutions at the time," he says. "Ideas that resonate and move people are not simply logical; ideas that feel right for people."

However big the contribution a maverick can make, Scotland is keen to point out that "it's a self-evident fact that not one of us is as smart as all of us together". His advice to mavericks is to "persist, and go beyond your authority, as long as ideas resonate ... and as long as they are in it for the group, and not just themselves."



*Mavericks recognise that nostalgia for a real or imagined past is something that resonates with consumers, says **Lulie Halstead** – especially during turbulent times*

**When we think of mavericks**, we generally assume they are preoccupied with the future, and probably new technology. “But we can also look to the past to be disruptive,” says Lulie Halstead. “In some ways, I believe that the past is more powerful in disruptive and maverick behaviour than the future.”

The word “nostalgia” was originally coined to describe the physical symptoms exhibited by 17<sup>th</sup>-century Swiss mercenaries. “**We now use the word to mean a sentimental longing for a period from the past,**” says Halstead. “It’s not always a positive emotion. It can be quite a sad or wistful emotion but as human beings, it’s inherent in how we behave.”

“We define ourselves based on our past stories and what has built up to where we are today.” Halstead argues that “nostalgic behaviour tends to happen more in times of crisis”, and has become more widespread as the world comes to terms with a perfect storm of economic, environmental, political, social and technological turmoil.

**“We’re longing for more security; something to allow us to create a sense of being. We’re relying more on nostalgia and the past than we ever have before.”** A university study has found that nostalgia makes people more open minded and positive, and more willing to listen and understand. Another research project identified positive emotions, increased self esteem and better social connectivity as by-products of nostalgic behaviour.

Generating such feelings is **“surely the holy grail”** for business, Halstead suggests. And there are plenty of examples, in commerce and culture, of where nostalgia is being deployed to full effect. It was a running thread in the Skyfall movie (remember the cover coming off the classic Aston Martin DB5?) and it underpinned Danny Boyle’s Olympic opening ceremony, which celebrated not just the English cottage garden, but the gritty industrial past.

It’s the reason why there’s a global surge in interest in old-style Soviet cameras; it partly explains why there are now 3 million chickens being kept in British gardens (even though it’s probably cheaper to buy eggs). It’s why Urban Outfitters in Los Angeles has a window display of record players and Polaroid Instamatic cameras (**“They’re creating a nostalgia for a generation who didn’t even experience these things in the first place,”** Halstead observes). It’s why All Saints devotes prime display space to old Singer sewing machines. It’s why old-fashioned candy is in vogue on both sides of the Atlantic.

It’s also driving the farmers’ market boom. “Going to a farmers’ market is not really about the produce you’re buying. It’s about the experience and getting back to a tribe,” says Halstead. **“I would argue we’re more part of tribes and tribal behaviour now than ever before. Think how many communities you now belong to through technology.”**

Nostalgia is evident in the drinks business, too. Maverick gin brand Hendrick’s has built its success on humorous retro imagery; Cupcake wine has used homely, family marketing messages that hark back to an era “when we felt more secure and safe”, Halstead suggests.

It’s also why that, when you visit Eataly in Manhattan, the wine is served from old-style casks. “This isn’t just because they happen to get the wine in barrels when it arrives,” says Halstead. **“This is about building nostalgia – and connection.”**



*Rich Walker is not backed by a university or a multinational technology corporation. Yet he's proved that, even as an outsider, he can take on the world in the growing field of robotics*

**Robots, almost by definition, are not mavericks.** They do exactly what they are told – except, perhaps, in dystopian sci-fi novels.

Rich Walker, on the other hand, has definite maverick tendencies. As managing director of Shadow, he runs a small British robotics company which enjoys export success in Asia, Europe and the United States.

**“We came at building robots from a fairly unusual background,”** he says. “We were a group of people who wanted to build robots. Most people we knew in robotics came from universities or worked for a large company that had a robotics department. We started as a club for people who enjoyed building robots.”

Walker jokes that **“the great thing about robotics is that everyone knows what robots should look like”**. There's Kryten, the obedient servant from Red Dwarf; Marvin, the paranoid android, from The Hitchhiker's Guide to the Galaxy; Kit, the smart-talking computer which controls David Hasselhoff's car in Knight Rider ... there are many more.

Walker and his team understand that robotics goes far beyond the sci-fi conventions. Some of what Shadow has developed has been intended to replicate human activity, but many of its projects have emerged as solutions to problems that the team didn't even realise existed until clients brought them to their attention.

After starting the business in 1997 the team worked on creating a robot which could move around – a brief that was also addressed (with far larger resources) by the Honda corporation. But Walker knew that they needed to go further.

**“If you can move around you still need to be able to do something,”** he says. **“We realised that the key thing to be able to interact with the world would be a pair of hands; something capable of reaching and interacting with things.”** As yet, nobody has written the software to enable a robot to perform the “simple” task of using a pen – at least, not in the complex way that humans do. But Shadow has created a revolutionary robot hand, which has a range of applications in the nuclear and biochemistry industries.

One of Walker's clients was a wealthy homeowner who wanted his furniture to transform itself robotically: a bed that metamorphoses into a desk; maybe a glass coffee table that can raise itself to waist height. The team has even developed a robotic dance partner for a dance studio.

**“There are interesting follow-up projects that we wouldn't have expected,”** Walker says. **“We have people coming back, saying ‘we want technology that no one else can deliver’**. Working on one particularly challenging problem keeps opening doors for us. People come to us and say: if you can do *that* ... we have this problem over *here* ...”

The future is notoriously hard to predict, but Walker picks some key trends he thinks will influence events. A bigger emphasis on health and safety; increasing urbanisation; a massive leap in internet bandwidth; cheaper and cheaper computing ... the list goes on.

What seems clear is that much of what happens in the years ahead will be defined not just by maverick inventors – but maverick clients.



*Mavericks such as one West Country barista recognise that solving problems takes time and effort, not a quick fix. And, adds **Professor Michael Beverland**, their solutions won't suit everybody*

**According to Professor Michael Beverland**, “mavericks focus on problems. They spend more time understanding problems and less time jumping to solutions”.

He's referring to real mavericks, rather than “people who think they're mavericks and that they have the right to act like spoiled children all the time”. How to tell them apart? Beverland describes true mavericks as “outliers”: “the person who seems annoy a lot of people but nine times out of 10 seems to get things right”.

“We always see the outcome of being a maverick,” he adds. “We tend to see the great products, and the Steve Jobs of the world. We tend to see the outcomes, the ‘sticking it to the Man’. But in a way that doesn't get you or I anywhere because there's a whole lot of steps to get to that idea, and a lot of failure.”

Beverland knows the world of wine pretty well, but even so he refuses to spend more than £8 on a bottle in the UK market. “That's because you have led the consumer to expect it,” he explains. “The problem is not the low price. The problem is everything that's driving the low price.” Clearly some maverick thinking is required to solve this conundrum, which has exercised minds in the wine business for well over a decade. Ironically, Beverland's example of a successful maverick got some of his best ideas from the wine category.

Maxwell Colonna-Dashwood owns Colonna & Small's in Bath. It's a coffee shop which attracts pilgrims from all over the world and which has rejected most of the ideas that inspire the big coffee chains – and even the “hipster cool” independents which purport to offer an alternative. “Max looked at wine and grapes. He wants to try and change people's view of coffee. He's reframed the problem,” says Beverland. “There's no such thing as ‘a great espresso’ or ‘a great cappuccino’. Max realised the notion of the coffee shop was a barrier to treating coffee as a gourmet product.”

Coffee drinkers have been trained to think that decent coffee is strong, hot and requires milk and sugar for flavouring. Colonna & Small's recognises the sometimes vast differences between different types of coffee bean, the terroir that creates them, and the various roasting techniques that can make a difference. This is all summarised on a blackboard which is changed on a daily basis.

It makes no sense to walk in and ask for “an Americano”, and Beverland accepts that this approach won't appeal to everyone. “You have to break the conversation but you have to provide something to people that allows them to engage in a new conversation,” he says.

Beverland advises against “subverting for the sake of subverting”, but also encourages business people to avoid short-term fixes to the challenges they face. “Mavericks try and shape the world they're in. They reframe the problem. “It's very easy to look for the short-term solution. It doesn't take you anywhere. Focus more on studying the problem”.

“This industry [wine] won't make a stand on who the consumer is. Abercrombie & Fitch is elitist, in the same way Ryanair is an elitist brand: they tell you who they want and who they don't want. Your industry doesn't do enough of it. “You've got to be prepared to let people walk out the door because you don't have anything to provide them with, instead of trying to provide something for everyone.”



*BrewDog's maverick approach to beer may look superficial from a distance, but as **Sarah Warman** points out, it informs every aspect of how this Scottish brewer runs its business*

**The word maverick** regularly appears in the same sentence as BrewDog, not surprising for a company which has made its name by competing to brew the world's strongest beer, packaging its products inside dead animals, and publicly destroying lagers made by its mainstream rivals.

In a backhanded compliment, the Daily Mail said the Scottish brewer was going to be "responsible for the downfall of Western civilisation". Needless to say, its words have become a badge of honour.

But underneath the stunts, the belligerent marketing and the humour, BrewDog has also taken a maverick approach to some serious issues. Its campaigning forced a change in the law on beer glass sizes (the two-thirds-of-a-pint schooner suits its high-strength products beautifully). The company circumvented conventional finance channels with an equity issue for its own customers, which has allowed it to build a smart new brewery.

And, crucially, BrewDog continues to deal with the multiple grocers on its own terms, avoiding most of the discounting that has dragged the beer category into commodity territory. "We're stocked in every supermarket in the UK," says Sarah Warman.

"Supermarkets have to buy at the wholesale price that we sell to the specialists as well. The supermarkets are going to sell this product at a high price point because it's worth it."

Is BrewDog a company led by mavericks, or entirely staffed by them? Warman's view is that anyone who works for the company is bound to have some kind of maverick tendencies. But she insists that this approach to business is not intended to be self-serving.

"Mainstream beer is exactly what we stand against: industrially-produced stuff is what everyone should be moving away from. We're trying to bring more people into the craft beer revolution. But we're not trying to keep it to a small amount of people. We're trying to make it accessible to more and more people."

BrewDog now runs a small chain of bars. "It's essential for us to maintain a hold on what we're about," Warman says. "The bars really help with that. We don't just sell our beers in our bars – we sell craft beers from around the world and we're getting people to come to our beer schools and really learn what craft beer's about."

There may not be an equivalent of BrewDog in the wine market, and it might not be possible to create one. But Warman offers three key pieces of advice to anyone who wants to acquire a BrewDog-like mindset. The first is "don't sell – share". She explains: "We don't just want to be pushing out a one-way marketing message. We want to produce shareable content."

She also encourages you to "forget your product ... look to other industries that inspire you. BrewDog's approach to the mainstream brewers is exactly the same as the old-school punks was to pop culture". One final suggestion: "Give a shit. Passion is visible, and it's contagious."



*Targeting younger consumers, particularly in the wine market, requires a new approach. **Tyler Balliet** was arguably the maverick who first recognised the problem, and identified a solution*

**Tyler Balliet is a millennial.** That means he was born at some point between 1980 and 2000, but he isn't keen on that definition. "I really don't think by being born in this age group really makes you a millennial," he says. "It's a lot to do with culture more than anything else. We look at the world differently.

"First and foremost we don't know what the world is like without the internet. We have absolutely no idea. All my life, all human history has been at my fingertips. We're not excited if we see information. We expect it." Mobile phones (and mobile internet) are two more birthrights of the millennial generation.

"All previous generations of the world were information seekers," says Balliet. "You had to really look for information whereas now we've been inundated with information since we were born. We're hammered with advertising. So we're information sorters. We have to be able to sort through what's trustworthy and what we want to look at. That's really what makes this generation different."

Balliet is the co-founder of Wine Riot, a maverick attempt to introduce millennials to wine. It currently runs events in six US cities, each catering for up to 3,000 people. It's an antidote to the sterile and forbidding wine tastings that Balliet's generation finds so offputting. "How did these people take a huge room of alcohol and make it not fun?" he ponders.

"The whole idea of what we're trying to do is help educate young consumers about wine so they can make better purchasing decisions." Wine Riot does things differently. Conventionalists will shudder, but the lights are dimmed. There are DJs and photo booths. Recognising that attendees may be shy to ask questions and betray their ignorance, Balliet has been known to plant questions such as "is wine made from grapes?" just to put everyone at ease.

There are photo booths, and temporary wine-themed tattoos that are applied by guests and pourers alike. Again, it adds to the relaxed mood. Guests feel less intimidated by a wine professional with mermaid tattoos on their neck and are, in Balliet's experience, more likely to ask questions as a result.

"We felt by changing the environment we could make people react differently to this product," he says. Yet Wine Riot is not merely about frivolity. "We said [at the outset] we're going to pack this thing with so much education. People love learning a lot more about wine."

This is achieved with casual 20-minute drop-in seminars, areas where guests can try oaked and unoaked wines side by side, and bespoke education booths designed by Balliet's team. A Bubbly Bar allows people to compare Champagne, Cava, Prosecco and Sekt.

With wine now in mainstream distribution like never before, Balliet is concerned that a huge number of potential consumers are being put off, partly because the way wine is talked about seems overly-technical and formal. "Nobody ever went into a shop and asked for a wine with violets and earthiness," he says. "We need to change the language, tell them what to do with it, how to use it.

"As wine industry professionals it's our job to push the industry forward. We're just starting to scratch the surface, but we keep trying different things."