

EXPERT INSIGHT

Nick Nobilo Vinoptima Estate



NZ Wine Master Producing a World Class Drop



By Jonathon Walsh

They say a passion for wine helped bring down the mighty Roman Empire after years of splendor and decadence. However, a love of the same nectar has brought not ruin but great success for **Nick Nobilo**, pioneer of the modern New Zealand wine industry and Managing Director of New Zealand-based wine company **Vinoptima Estate**.

Hailing from New Zealand's most celebrated winemaking family, Nobilo has spent much of his life building an empire of his own, albeit on a somewhat smaller scale. Through years of effort and a strong passion for the grape, Nobilo has become a seriously successful businessman, received numerous awards and helped shape New Zealand's entire wine industry.

After playing a pivotal role keeping his family's wine business a step ahead, Nobilo oversaw the sale in 2000 of Nobilo Wines, at the time NZ's second-largest public wine company, to BRL Hardy, one of Australia's largest wine producers. So, what's a passionate wine master to do when he sells the family business? Go out on his own and do it all again – but this time on his own terms – of course!

Doing it his own way

Nestled just outside NZ's North Island city of Gisborne, Vinoptima, established in 2000, is a single variety 10 hectare, self contained vineyard and winery estate focused on producing world class Gewurztraminer for high end markets.

Nobilo says the experience gained from his more than 40 years in the NZ wine industry played a key role in the launch of the business, which produced 3,000 cases in 2006. Drawing on this expertise, Nobilo chose what he believed was the perfect terroir for growing world class Gewurztraminer, then planned, designed and built a winery to produce a world class drop.

How did Nobilo spread the word about his product? After the 2003 inaugural vintage was first released into the NZ market in 2005 and into the Australian market later the same year, **a specialist distributor was chosen in each country and allocated an agreed quantity of wine at an agreed price.** "Wine writers were sent samples of the wine for evaluation and distributors sold their allocated stock into high end retail and top restaurants," Nobilo says. "Wine writers wrote about the wine very positively and wine enthusiasts sought out the wine wherever it was available." Nobilo introduced Vinoptima wine into the Japanese market in early 2007.

Frost slashed production

Starting and growing a wine business is a long, difficult and expensive process, and like most business people, Nobilo has his



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www.terrada-wine.com (to purchase)

FACT SHEET

Vinoptima Estate -

Industry: Wine

Location: Gisborne,

New Zealand

Established: 2000

Managing Director: Nick Nobilo

Net sales 2006: 3,000 cases

Employees: 5

Nick Nobilo -

- Nobilo produces New Zealand's first German style Muller Thurgau

- Nobilo develops New Zealand's first true generic wine 'White Cloud'

- Nobilo receives Export Award from NZ PM.

- Nobilo Icon wins World Champion

Sauvignon Blanc award at London Wine and Spirits Competition

PTO...



“When the NZ Trade Commissioner asked the chief executive of the Marubeni Division as to why they had taken on the NZ brand, his reply was simply, ‘Mr Nobile’s persistence.’”

3. Patience:

“I have learned from Nature that every cycle has a time frame. The same principles apply in business. Being aware of this and then having patience to allow the natural process to occur will always lead to success. Looking for shortcuts often frustrates the situation and leads to bad outcomes.”

What two things would Nobile never do again in business?

1. Have insufficient capital

“The wine industry is a very capital intensive industry that takes 10 years to realise a return from the planting of a vineyard to selling the finished wine. If you have to rely on large borrowings, profitability is deferred while servicing and repaying the debt. Sufficient capital, say 75% equity ratio, means returns to shareholders occur earlier.”

2. Take on incompatible partners

“Most investors are looking for a quick return. The wine industry does not provide this. Some investors get involved for the romance of the industry without understanding the need for patience to obtain a return and consequently get frustrated waiting. In the past we had a couple of investors who exited and caused problems. I am pleased to say that those who remain for the long term not only receive a good return but also healthy capital appreciation.”

.....share of horror stories to tell. “One major problem was underestimating capital requirements in the initial establishment phase,” he recalls. “I overcame this through acquiring more capital through other assets outside the business.” Another major lowlight, albeit completely out of his control, was when his vines were hit by a frost at budburst in 2003 that slashed the crop by 25%.

Despite these challenges, Nobile has been happy to find overwhelming acceptance of Vinoptima in all markets. “Once people tasted the wine they wanted to list it despite its high cost,” he says. “Another highlight was the excellent 2004 vintage, which allowed the production of a noble late harvest wine to be released in late 2007.”



Vinoptima wine

Lessons for success

Every business owner finds their own unique ways of adapting and growing, often learning what to do right by facing the fallout from mistakes and bad decisions.

What has Nobile found to be the most effective ways to:

- **Secure funding?**
Have adequate and secure assets on which to borrow from lending institutions.
- **Find staff?**
Know exactly what you want then head hunting the appropriate people.
- **Advertise?**
Public relations and word-of-mouth endorsement of the wine and brand.
- **Find customers?**
Research appropriate distributors who will represent the brand in a particular marketplace.

In addition, Nobile believes the key entrepreneurial qualities that are crucial for entrepreneurs to possess in order to run a business are:

1. Positive attitude.
2. Will to succeed.
3. Hard working.
4. Ability to take the “knocks”
5. Picking the right people to work with.



Vinoptima winery

Positive approach, persistence, patience

Nobile says the 3 most important lessons he has learnt in business can be encapsulated in the “3 P’s” – namely:

1. Positive approach:

“I have found that **business success comes from maintaining a positive attitude and approach at every moment even if you know the situation is negative and without resolution.** There is a solution for everything and by combining a positive approach with persistence and patience, you eventually come out on top.”

2. Persistence:

“After suffering one or two knock backs the majority of people withdraw from the opportunity. There may be a great opportunity in pursuing a sale, however after a couple of negative responses they back away and go on to the next one. In my experience, **persistence always wins the day, but you do have to be patient.** More than 15 years ago I succeeded to get Marubeni Corporation to take on the Nobile brand in Japan at a time when NZ wine was unheard of.”

Vinoptima's Products and Services

1. Grape Growing
2. Wine Making
3. Cellaring and Bottling
4. Marketing
5. Selling ultra premium Gewurztraminer wine

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