

MEININGER'S WINE BUSINESS INTERNATIONAL



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A REVOLUTION IN CLOSURES

Vinventions doesn't just offer different types of closures – it wants to revolutionise the category. Felicity Carter paid a visit.

The facility in the tiny town of Fussgönheim in the southwest of Germany is modest. It's nothing more than a corridor of offices over a small industrial facility, where wine closures are graded, sorted, tested and printed. But it's from here – and at six other facilities, located in Belgium, France, Argentina, South Africa, China and the US – that Vinventions CEO Dr Heino Freudenberg plans to revolutionise the wine world. Or at least the way it seals its bottles.

The many variants

Dr Freudenberg sits at a table, a display box in front of him. In it are screwcaps, corks, glass and synthetic closures. This is revolution number one: a single company offering a complete range of closures. "The starting point was that our customers said to us, we are tired of having a supplier come to me and say 'natural cork is best', and then someone else comes along and said 'screwcap'," Dr Freudenberg explains. They want to be able to sit down and find the right closure for each different type of wine.

He picks up a screwcap. This, he says, holding up a crimson capsule, is perfect for the modern, entry-level wine. Next, he picks up a cork. "For the very premium high-end, you take a natural cork," he says, and looks at it appreciatively. "For me personally, it's one of the most beautiful products." The top-of-the-range cork, the Ohlinger Selektion Flor, isn't cheap at €0.85 (\$0.90) a piece, but it has been individually tested by a sharp and reliable human nose and is guaranteed to be problem free.



From the Nomacorc Green Line



SÜBR is a biodegradable agglomeration cork

Then Dr Freudenberg moves to the glass closures, and chooses one with a faceted head. The seal, he says, has so improved that it can easily compete with other forms of closure. More importantly, glass can be shaped in many different ways, to bring a premium, elegant touch. "You can put something almost like a diamond on the bottle," he says.

"With Vinolok, the gliding and the oxygen performance are much better," he adds, picking up a black glass stopper. "In the old days, it was the beauty that attracted people, but these days it's the sealing performance." He puts the stopper down. "It costs about €0.40 per seal, although depending on how much polishing you do, you can easily spend a euro. But the fun part is the bottle you create is so beautiful that the end users will pay much more. That's part of the game – you invest €1.00 into packaging and you get €4.00 to €5.00 back in retail."

Then come the synthetics. He picks one up that looks virtually indistinguishable from a cork: a Nomacorc. It has nothing, he says, to do with the old Normacorcs that were made of extruded petroleum-derived foam. "The aesthetics have been fundamentally reworked, and most importantly, they have a negative carbon footprint, because they're plant-based." Now they're made from sugar cane. "In the old days, people said synthetic cork was good for three to five years. Now we give a guarantee of 25 years for the Reserva range."

Nomacorc was founded in 1993 by Belgian Gert Noël who, frustrated by high levels of cork taint, sought an alternative. Two hundred and forty prototypes later, he and son Marc launched the first commercial closures using foam extrusion technology. By 2003, the



Dr Heino Freudenberg, CEO, Vinventions

company had opened facilities in Belgium, followed by China (2007) and Argentina (2013), and invested heavily in research and partnered with five top institutes and universities, to study the role of oxygen in wine. By 2015, Nomacorc was responsible for 13% of closures worldwide, having nabbed market share not only from synthetic closures and screwcaps, but also from cork itself.

The rapid expansion had to be financed, and in 2007, private equity firm Summit Partners had acquired a majority stake in the company. Eight years later, however, Noël found a new equity partner, Bespoke Capital Partners, who acquired a majority stake in the company, and founded Vinventions. "We invested in Nomacorc as a platform for consolidation of the highly fragmented supply chain in the \$250bn global wine industry," Mark Harms, co-managing partner of Bespoke, said in a press release issued at the time.

A new giant

Vinventions, the parent company of Nomacorc, is a wholly new enterprise, formed by shareholders including Dr Freudenberg. Their goal is to offer a complete range of closures, so the company went on an acquisition drive. In June 2015 they acquired the Ohlinger Group. Based in Fussgönheim, the company specialises in cork. Later that year came a deal with Preciosa for the global distribution of Vinolok/Vinoseal. Vinventions then started Syntek Bouchage in 2016 and

launched Vintop, its own brand of screwcaps in 2017.

"It's not so hard to make acquisitions – the hard thing is to bring it to life and make people feel like one family," Dr Freudenberg says. "Like in politics, it's easy to win a war but hard to win the peace." So, the shareholders have a 10-year agreement. "This is a long-term journey."

The next step is to bring Nomacorc's innovative thinking to the entire category. Noting that there is still plenty of room for innovation in both the cork and screwcap categories, Dr Freudenberg produces his smartphone and shows pictures of a cork tree. He says the cork is harvested three times from the one tree. "It's like when men shave," he says. "The first couple of shaves look like rubbish, and then you get a nice beard." While "natural corks are very beautiful products, single-piece natural corks remain inconsistent in their performance, he admits, adding there is still work to do to eliminate TCA entirely. What's even more important, in his view, is ridding cork of other off flavours. "These are even more dangerous for wineries," he says. "If you have a strongly TCA wine, then it's obviously the cork, but if there's an off flavour or a little bit of sweat, then it's the wine that gets blamed." The third thing that needs to be done is to make the oxygen ingress more consistent.

The company has already launched one innovation: SÜBR, a joint venture between Vinventions and Cork Supply. It's an agglomerated cork made without glue. "With the SÜBR, we have developed something that is biodegradable," he says. "The majority is cork and the rest is a biodegradable material." Overall, the company believes that the natural cork segment can grow by another billion closures.

A new screwcap liner free of PVC/PVDC is also being launched this year. "The screwcap is incredible in its convenience," says Dr Freudenberg. "But at the same time it is very boring, because they all look the same and everybody is working with the same technology, the same foil and everything." He says it's difficult to make money in screwcaps, because making them for the wine industry is problematic for manufacturers. "With spirits, you have a million units, even with an unsuccessful spirit," he says. "But in wine, it's only 5,000 units. With their heart, the winery would like to have a slightly different screwcap,



but the industry isn't capable of delivering it." That's something else he plans to change – along with finding a material other than aluminium. "Aluminium is nice because it's easy to process, but it has a terrible carbon footprint and it's vulnerable." Not only that, but if screwcaps are dented, the wine can become oxidised. He says most people probably don't realise that, because the drinking cycle of many screwcapped wines is so short, the problem isn't obvious. "If you put a screwcap on a Grosses Gewächs wine, you want it to rest for three or five years. But if you dent it, it's done."

What could replace aluminium? Dr Freudenberg looks like he's struggling not to say. He's clearly excited by the prospect and wants to talk about it, but he's mindful of not giving away trade secrets. "Materials unknown in this environment," he finally says. "Sometimes they are very old materials."

Other innovations

Dr Freudenberg says that Vinventions, like Nomacorc before it, is likely to partner with other institutions. "Universities are great for the early stages of innovation," he says, adding how much he enjoys the conversations he has at Geisenheim University in Germany, because they're willing to consider things that are "very far out". He adds that university input is also valuable at the end of the innovation journey, to give external validation. "They make sure we have rattled and shaken everything." In the middle phases, however, it's better for a company to have exclusivity over research and work with technology partners, to protect the intellectual property. What's important, he says, is "open teamwork – that not only applies to internal

cooperation across our plants, but also with our customers, suppliers and partners. The charming thing about Vinventions is that pretty much everybody who is really good can come to us and say, 'can we play together?'" Sometimes these partnerships can be a better option than acquiring a new company.

Dr Freudenberg leads the way downstairs to the warehouse, where corks are being sorted. Along one wall is a set of what look like bellows. "Microwave technology," explains Dr Freudenberg. The old Ohlinger company once trialled it as a way to remove TCA from corks. It wasn't a bad idea, says Dr Freudenberg, but it wasn't perfect. You have to try things, after all.

The floor of the warehouse is covered in bins that are filled with corks. Blank corks, printed corks, high-quality corks. In the next room are stacks of foil and the machine that adds the foil to screwcaps.

And there, in the corner, is the cork-testing office. There are two testers and a table heaped with small plastic containers containing three or four corks apiece. In what must be one of the weirder jobs of the world, it's the testers' duty to open each container and take a deep sniff, searching for TCA and other off odours. "Humans can do this for 20 to 30 minutes," explains Dr Freudenberg. "Then they do something else for half an hour and they are refreshed and can start again."

It's a huge amount of effort to go through to ensure each little plug of cork bark meets the standards. But Dr Freudenberg loves it. "We consider ourselves the bodyguard of wine," he says. "But you don't want to see the bodyguard. The client stands on stage and we're sitting in the last row, making sure they have a great performance." ■