

The best and important resource of coopers creek business essay

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The best and important resource of Coopers Creek and New Zealand wine industry has experienced significant environment, the change in the industry and organization resulting network arrangements in shifting to meet the domestic and international demand. New Zealand wineries achieved strong growth in continuing international markets but operated under the constraints related with uncertain grape volume and exchange rate fluctuations. Coopers Creek also maintained its independent status while most of the greater and mid-sized New Zealand wineries were sold to prenominal liquor companies. All the other medium-sized wineries, and quite a few have sold, but the most interesting thing happened is Andrew Hendry, the owner and managing director of Coopers Creek was seeking to set Coopers Creek for the future. (From the case study)As per the records, we know the fact that Coopers Creek winery was established in 1982 on four hectares of land in West Auckland using a 40% bank loan, 20% equity capital from Andrew and 40% from a combination of the original winemaker, grape suppliers and former colleges of Andrew's from Coopers and Lybrand. All the grape suppliers, shareholders one among them decided to sold their interests, capital gain to sold away thinking that they could no longer operate on both sides of the shut in. suppliers wanted to negotiate the highest price, but shareholders wanted to bargain for the lowest price. In this process most of the original winemaker former colleague had carried or increased their shareholdings was still supplying Chardonnay, Coopers Creek family trust owned 72% from it. In 1980's and 1990's gained an additional vineyard in the Hawkes Bay, North Island. He also bought grapes from independent growers in Marlborough, South island and Gisborne. (Study

guide, 2008) Andrew further modified the Hawkes Bay land interests by subletting another vineyard and flourishing a Joint venture with the owner-grower of another. In 2004 Andrew was interested in purchasing a land in Marlborough satisfy to continue and purchasing under contract. Because of the economic and prices of grapes goes down, they want to sell. According to Andrew, the best area for growing Syrah is Hawkes Bay and best New Zealand red wines were of that variety while Syrah would, sold in the U. S, and the local markets. Though the developing market were concentrating on the expanding market focus on supplying restaurants (on-premise segment) which always wanting something new and something different the company sold a wide range of profits on wines marketed under the Coopers Creek label for retail chains in UK, USA, Australia and Holland. The company had a capacity to crush 100-200 tons of grapes a day beyond major competitive advantage. In 1995 during the bad cropping year Coopers Creek did the same in a short period of time. Andrew Hendry installed the larger machinery alone with one person to operate if necessary to make a cost difference in installing the crushing plant. According to him there were minor savings related to labor costs in wear and tear, but it also involved higher costs for crushing and offered better quality. In 2002 from Gisborne Chardonnay they managed to make reserve higher quality wine if the grapes had all been deal in to Auckland. Coopers Creek was set up to produce in 25-30 tonne batches, of grape truck load capacities based on modular approach of annual production system was in the range of 900, 00 liters , around 96, 000 cases. Coopers Creek also had the capacity to juice other wineries, and was involved with production-based collaborations with a group of local West

Auckland wineries. These at some point of time they shared equipment, swapped grapes, jointly purchased key inputs. The costs of the container-loads of Coopers Creek barrels were shared by three other wineries. In its lifetime; the collaborative grouping had changed and comprising five local and New Zealand owned small and medium-sized wineries, by 2004 has dropped out and relocated to the West Auckland area, all was taken over by one another and finally combined with an Australian winery. Coopers Creek was the third largest among the six West Auckland wineries in this local network owned by overseas interests. In 1986 Andrew Hendry was elected to the board of the wine institute as representative of small producers (according to the categorized size by annual liter sales) Coopers Creek was categorized as a medium-sized company. Many countries like UK, USA, Germany, Canada and Australia were split into Tier 1 markets, where as New Zealand had a strong and growing presence (UK, US and Australia) and Tier 2 markets, where there was a smaller presence and potential growth (Canada, Germany, Ireland and Japan) in terms of joint promotional efforts Coopers Creek was actively involved in the Canadian and US Country Action Groups. By 2004 the levy system had three tiers based on number of cases sold Coopers Creeks was in the middle tier (According to the Case Study). In 1996-1998 Andrew Hendry was appointed as Deputy Chair, there were two Trade New Zealand representatives at that time one based in Auckland and the other in Wellington.

Coopers Creek – domestic market:

According to the observation of Andrew Hendry in 2004, the New Zealand market became increasingly competitive, with over 400 New Zealand

producers and cheaper imports from Australia. In the domestic market Coopers Creek serviced the three segments of on-premise, liquor store and supermarket sales. Between 1998- 99 Coopers Creek employed three sales representatives, one to concentrate on restaurant sales and other two concentrate on retail sales in Auckland and other local country areas. With a larger number of Auckland based restaurants Coopers Creek was directly dealing with them in 2004, to offer them more competitive price. As a result, Andrew did not forecast such relationships grow. The company had representation in two brands in food town and supermarket chain with cat brand and Coopers Creek brand. Joint advertising and promotional relationships with a group West Auckland wineries was taken by Andrew after having close observation with some Australian wine makers come together locally.

Coopers Creek - International markets:

The Australian market first export according to Andrew to sell was hard market in 1987. In 1988 serious export strategy was initiated by Coopers Creek, and it was delayed for one year because of the bad grape production season. The next target market company is UK in partnership with wine institute with wine Guild involved. Andrew Hendry in two years he expanded to Holland, Belgium, Switzerland, North America and other European countries because he doesn't want to depend on the UK market only. In 2003 Coopers Creek had a strong focus on Taiwanese agent in winery shop and a small shipment was sent to Taiwan. Coopers creek and New Zealand has the largest in market UK and allowed importers to reduce prices. (Study guide, 2008)The next opportunity for Coopers creek and New Zealand is to enter <https://assignbuster.com/the-best-and-important-resource-of-coopers-creek-business-essay/>

into the Asian market. It already enters into the Singapore market. In 2004 Coopers creek can concentrate on the Canadian market and Andrew had explored a number of opportunities in the European markets also. (Study guide, 2008) There is an increase in competition between countries as an international trade in wine has increased and there are some agreements as WTO Intellectual related property trade has been liberalized.

Recommendations for future:

Future:

Despite of entering early maturity, Coopers creek and New Zealand wine industry remained constrained by issues of supply. The new grape planting land cost and more previously marginal land became grow on to economic. As long as the New Zealand's distinctive and competitive advantages were not compromised overseas investors were welcomed by the industry. The strong reliance on scarce resources in an annual basis of the New Zealand industry, self-funded, relationship-based approach to growth achieved good fit for the nature.

Recommendations:

I think Coopers creek must have building relationship with local industry showing signs of concentration, and with other domestic producers. Globally the nature of the wine industry has to begin seeking collaborative arrangements with overseas producers. Coopers creek has to remain independently, to retain the benefits of small size and to achieve exceptional return in changing environment. The important way for Coopers creek internally to improve the quality of their existing products in order to beat

their competitors. In my opinion the Research and Development in the new inventions area of production facilities must be invested to achieve the benefits. " The R&D intensity of firms is positively related to their economic performance."(Faculty of Economics and Business Administration, 1996: 10)

Additionally the training of and development of technical skills and knowledge of their employees should be considered to keep them up to date and to give them the feeling of being taken care at their workplace. To maintain a good relationship with the customers Coopers creek must adopt innovative ideas by giving incentives to their employees and constant contact with their customers can defect the failures can be rectified for the future deliveries.