

UseWine: IO1

AGREEMENT NUMBER – 2014-1-CY01-KA204-000269

Use of Triple Bottom Line Sustainability Framework in Rural Wine Entrepreneurship:

Report 4: SWOT Analysis Report

Date: May 2015



Project Erasmus + KA2 USEWINE - Agreement Number 2014-1-CY01-KA204-000269
This project has been funded with support from the European Commission. This document reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein.



Executive Summary

The UseWine project is a new project funded by the European commission. The project aims to support small medium sized enterprises (SMEs) within the wine sector to develop approaches to sustainability through the use of the Triple Bottom Line (TBL).

Whilst organisations primarily focus on profit, sustainable organisations are committed to measuring and making key decisions based upon measures that take into account profitability, the planet and people - the three pillars represent the TBL.

The first stage of the project is to conduct three surveys:

- (1) The aim of first survey is to develop an understanding of sustainability-related policies and regulations enforced by policymakers such as local governments, agencies and regional authorities in relation to the rural wine sector;
- (2) The aim of the second survey is to develop an understanding of the attitudes and opinions of rural wine production from the perspective of local community, social and environmental groups;
- (3) The aim of third survey is to analyse the policies and practices of rural wine SMEs relating to sustainability and the use of processes and procedures consistent with the TBL.

The results of the research will:

- Inform the development and roll out of a new business support training programme for rural wine SMEs.
- Enable rural wine SMEs to identify how the increased use of sustainability strategies can support the development and growth of their business
- Provide an analysis of the status and policies of environmental groups and agencies towards sustainability within the wine sector in relation to rural SMEs.
- Inform policy-makers and support agencies of the support needs of rural wine SMEs to implement strategies to facilitate sustainability.

The project will publish a series of research reports which will provide a baseline against which the UseWine project can benchmark the impact of the project - UseWine Use of Triple Bottom Line Sustainability Framework in Rural Wine Entrepreneurship. The final stage of the project involves three follow-up surveys to assess the impact of the UseWine project (scheduled: spring 2017).



This report provides an analysis of the three surveys undertaken at the start of the UseWine project in the format of a SWOT analysis. In addition to an overall SWOT analysis, there is a SWOT analysis for each of the countries participating in UseWine.



Table of Contents

Executive Summary.....	1
Table of Contents.....	3
UseWine Overall SWOT	4
Conclusions and Observations.....	7
Appendix 1: National SWOT Analyses.....	9
SWOT Analysis: Overall UseWine	9
SWOT Analysis: Austria	10
SWOT Analysis: Cyprus	12
SWOT Analysis: France.....	14
SWOT Analysis: Poland	16
SWOT Analysis: Portugal.....	17
SWOT Analysis: Romania	19
SWOT Analysis: Spain.....	21
SWOT Analysis: United Kingdom	23

UseWine Overall SWOT

Although there are differences between countries, many of the strengths, weaknesses, threats and opportunities are common across all of the countries.

1.1 Wine SMEs: Strengths

Some of the main strengths reflect the fact that many wine SMEs are small, family-run business units. In keeping with this are strengths around the heritage and tradition of wine production and the in-depth knowledge of wine production. The survey also suggests that wine SMEs are very aware of their role within the local/regional community and the emerging importance of adopting environmental and sustainable production methods.

Table 1: Wine SMEs Strengths

Strengths
<ul style="list-style-type: none">• Local and regional vines/grapes and product heritage, tradition and culture• Small, family-unit based businesses• Knowledge of wine production• Systems for quality sampling• Local/national certificates of origin and classification systems• Awareness of the importance of environmental responsibilities• Experience of exporting• Relationship with local/regional community

1.2 Wine SMEs: Weaknesses

One of the main findings of the surveys is the general recognition that the use of business techniques and strategies associated with business planning, performance management and financial planning and management are perceived as areas of weakness. In particular, areas such as digital marketing and the use of human resource management processes are potential areas for development.

Table 2: Wine SMEs Weaknesses

Weaknesses
<ul style="list-style-type: none"> • Business and resource planning • Financial security, cash flow and operating margins • Performance monitoring and management • Marketing and use of digital strategies • Use of human resource development techniques • Management of supply chain • Cooperation, networking and collaboration • Adoption of renewable energy sources • Culture and traditions (potentially inhibiting innovation)

1.3 Wine SMEs: Opportunities

The surveys also highlighted potential areas that wine SMEs could consider exploiting. Two of the opportunities relate to market development opportunities. One such opportunity could lie in diversification into related wine and or ecotourism activities such as establishing wine tours by working collaboratively with other wine SMEs or establishing non-wine sales via investment in craft-related products. Another opportunity is to develop alternative marketing such as in countries new to wines or to move into the production of sparkling or rose wines. To facilitate this, wine SMEs could take advantage of EU funding streams, work in partnership with other producers and even consider lobbying local and regional government agencies and policy makers to support new initiatives.

Table 3: Wine SMEs Opportunities

Opportunities
<ul style="list-style-type: none"> • Investment in technology and equipment • Diversification opportunities (e.g. wine and ecotourism) • Development of new markets (e.g. developing countries) • Use of digital marketing and e-commerce • EU funding • Growth in sparkling and rose wines • Increased use of collaborations, partnership working • Lobbying and representation bodies and associations

1.4 Wine SMEs: Threats

As with all industries, the wine sector faces current and emerging threats. Threats include changes in demand and markets, a challenging economy and increasing energy costs. Trends such as the centralisation of wine production to larger producers and increasing competition especially from the so-called, 'new world' wine countries and regions are a concern.

Table 4: Wine SMEs Threats

Threats
<ul style="list-style-type: none">• Market development (e.g. declining domestic markets and emerging markets)• Increasing energy costs• Globalisation of industry and centralisation to 'bigger producers'• Challenging economy• Increasing regulation (environmental and business)• Increasing competition (regionally, nationally and new world wines)• Limited governmental support

Conclusions and Observations

Whilst, the national SWOT analyses highlight challenges, threats and opportunities specific to each country in the UseWine project, there are sufficient similarities that some common approaches can be considered. One of the main aims of the research is to identify strategies to support wine SMEs to improve performance.

The SWOT analyses along with the results of the Triple Bottom-line wine SME benchmarking exercise will be used to inform the development of a syllabus for a training the trainer programme leading to a team of trained Triple Bottom-line Facilitators. Facilitators will then work with a number of wine SMEs to help them to implement a business improve plan built around their own TBL report and business goals.

It is recommended that the Facilitator TBL programme focuses upon the inclusion of tools and methodologies associated with each of the pillars and Business Areas of the Triple Bottom-line Model.

Pillar 1: Profit	
Business Area	Tools and Models
Strategy	<ul style="list-style-type: none"> • Written 3 – 5 year business plan • Mission, vision statement • Integration of sustainability into business strategy
Finance	<ul style="list-style-type: none"> • Financial plan • Cash flow plan • Management accounts • Cost control
Marketing & Sales	<ul style="list-style-type: none"> • Marketing plan • Website • E-commerce • Use of social media • Marketing collateral • Merchandising and packaging • Branding • Communication channels
Innovation & Improvement	<ul style="list-style-type: none"> • Identification of new markets • Research and development • Product development and diversification • Development of new income streams

Pillar 2: People	
Business Area	Tools and Models
Social responsibility	<ul style="list-style-type: none"> • Corporate social responsibility Policy • Stakeholder management plan • Communication strategy • Consultation and feedback
People & Skills	<ul style="list-style-type: none"> • Manpower plan • Diversity and equality policies • Procedures • Learning and development strategies • Performance management • Health, safety and welfare
Stakeholders	<ul style="list-style-type: none"> • Customer profile • Customer database • Customer communication plan • Communities (partners, local, regional, national) • Key issues and concerns • Community communication plan • Supply & distribution chain • Procurement strategy • Service providers • Traceability and quality assurance

Pillar 3: Planet	
Business Area	Tools and Models
Ecosystem Management	<ul style="list-style-type: none"> • Ecosystem strategy • Sustainability Policy • Sustainability models • Waste & Recycling
Wine Production	<ul style="list-style-type: none"> • Wine production knowledge • Vine growing knowledge • Landscape management • Soil management • Pest management
Resource Management	<ul style="list-style-type: none"> • Water conservation • Energy management • Plant, machinery and equipment

Appendix 1: National SWOT Analyses

SWOT Analysis: Overall UseWine (Austria, Cyprus, France, Poland, Portugal, Romania, Spain, the UK)

Strengths	Weaknesses
<ul style="list-style-type: none"> • Local and regional vines/grapes and product heritage, tradition and culture • Small, family-unit based businesses • Knowledge of wine production • Systems for quality sampling • Local/national certificates of origin and classification systems • Awareness of the importance of environmental responsibilities • Experience of exporting • Relationship with local/regional community 	<ul style="list-style-type: none"> • Business and resource planning • Financial security, cash flow and operating margins • Performance monitoring and management • Marketing and use of digital strategies • Use of human resource development techniques • Management of supply chain • Cooperation, networking and collaboration • Adoption of renewable energy sources • Culture and traditions (potentially inhibiting innovation)
Opportunities	Threats
<ul style="list-style-type: none"> • Investment in technology and equipment • Diversification opportunities (e.g. wine and ecotourism) • Development of new markets (e.g. developing countries) • Digital marketing and e-commerce • EU funding • Growth in sparkling and rose wines • Increased use of collaborations, partnership working • Lobbying and representation bodies and associations 	<ul style="list-style-type: none"> • Market development (e.g. declining domestic markets and emerging markets) • Increasing energy costs • Globalisation of industry and centralisation to 'bigger producers' • Challenging economy • Increasing regulation (environmental and business) • Increasing competition (regionally, nationally and new world wines) • Limited governmental support

SWOT Analysis: Austria

Strengths	Weaknesses
<ul style="list-style-type: none"> • Austrian wine SMEs expressed very well the presence of the three pillars in their businesses, with “Planet” pillar leading their orientation, following by “People” and “Profit”. • In Austria, the sub-pillars with highest score are “social responsibility”, “stakeholders”, “innovation and improvement”, “people and skills” and “wine production”. • Almost all SMEs have a management plan to support the production of crops. • Almost all SMEs routinely undertake sample analysis to improve the quality of crops/ wines. • Most of the Austrian wine SMEs are family business and take their community and social responsibilities very seriously 	<ul style="list-style-type: none"> • Austrian wine SMEs do not show a very high focus on finance issues, which has a direct impact on their attitude towards the overall “Profit” pillar, the lowest rated. In order to be viable, it should be seriously taken into consideration in business development. • Less than half of the wine SMEs in Austria use the social media as a means to promote their business and it should be considered an asset for any marketing strategy. • It is very important that the use of renewable sources of energy can be increased by all Austrian wine SMEs • A relatively high number of the SMEs use chemicals more often than it is absolutely necessary • It is recommended that all wine producers have a well-defined job-description for each employee and continuous training should be implemented in order to promote career development and business growth.

Opportunities	Threats
<ul style="list-style-type: none"> • Austria maintains a relatively high score across all pillars identified, without presenting values that are either too high or too low. This bears evidence that overall, the wine SMEs still have space for developing innovative and tailored sustainability practices as proposed by the UseWine project. • In general, the scores per sub-pillar identified demonstrate a balanced approach from the side of the wine SMEs in Austria which shows an investment in the different aspects of sustainability and therefore an opportunity for continuing improvement and growing. • Even though for most of the wine SMEs there is a management plan to support production and there is regular analysis to improve the quality of final products, only half of respondents have invested in new production plant and equipment within the past year. Thus, more investment can be done by Austrian wine producers which may also have an impact on profitability, the pillar lowest rated. • Finance management is the sub-pillar with more opportunity to be developed by the Austrian wine SMEs, especially to also include expertise on regular monitoring, cash flow strategies and business investment. • Business continuous improvement of the Austrian wine SMEs business is an achievable objective, bearing in consideration the fact that they do not lag behind too much on a balanced management strategy. 	<ul style="list-style-type: none"> • Austrian wine SMEs do not put enough emphasis on strategic investment (e.g., equipment, human resources, marketing, etc.) and it can become gradually more difficult to remain competitive and, ultimately, to survive. • “Marketing & Sales” area needs to be rethinking and contemporary marketing tools considered, such as the social media. In order to promote and market much more effectively their business, they should adapt to the new reality, otherwise they will become obsolete. They should focus more on developing a clear, well defined marketing strategy, know very well their (potential) costumers and update promotional resources. • “Resource management” is transversal area to any business, and it is crucial every Austrian wine SMEs prepare a detailed written plan that specifying targets and actions for reducing our energy usage by increasing renewable sources, as well as plan routinely inspections. • Not enough investment is made in new equipment and/ or technologies and it impact can be very negative for the sustainability of those wine producers in Austria. • Finally, some Austrian wine SMEs do not have a clear business plan and well-defined SMART objectives, which may disrupt the already established balance between the different pillars of the UseWine and compromise the sustainability of their business.

SWOT Analysis: Cyprus

Strengths	Weaknesses
<ul style="list-style-type: none"> • Small SME'S which are easy to manage and be sustainable due to low overheads • Community oriented as they are located in small villages where people know each other so they are involved in all events and festivals of the area • Technological improvements implemented in the field and in the winery that result in improved quality of the wine and better packing • Existence of native varieties in our territories • Progress in knowledge of production and new varieties from Europe • Vertical integration of all levels of the industry (production, processing and marketing) • Creation of supply companies to facilitate supply chains and reach local and international markets • Human Resources training and development • Family run so they can rely on each other and can plan ahead without the risk of losing the staff • The three T component exists (Trust-Transparency-Team Work) 	<ul style="list-style-type: none"> • Lack of structured business plan • Lack of using renewable energy resources to cut down the cost of production and be more environmentally friendly • Lack of uniformity or sorting of the raw material based on the various territories where the holdings of members of a cooperative are located • Small production of premium wines, which prevented from reaching certain markets • Lack of common strategies and an authorized organisation who can seek funds for them on local, EU and International Level

Opportunities	Threats
<ul style="list-style-type: none"> • Thematic Tourism based on Wine and Gastronomy • Upgrading of local Wine Festivals to attract more people • Development of Arts & Crafts based on Grapes & Wine • Highly fragmented productive sector that could be directed toward organic products that require lower surfaces. • Possibility of enhancing existing native varieties in order to differentiate the product. • Possibility to use the products of wine destinations for use as biofuels (bioethanol). • Possibility to use all residuals for the production of beauty products, arts and crafts • Branding of wine as a health/beauty/longevity food, especially red wine, directly related to the Mediterranean diet. • Seek for more education and training • Make every winery appropriate for wine tasting and agro-tourism establishment • Use Funds from the EU and local government for adopting alternative • Energy (Photovoltaic, Solar, Biomass) 	<ul style="list-style-type: none"> • Sustainability due the lack of business plan • High price due to the small production-No economies of scale • High competition with all wineries in Europe • Lack of branding, local people consume more French and Italian wines • Lack of supply chains and high cost of delivering the wine to the cities • Globalization of markets that trade in wine favors emerging countries with large holdings.

SWOT Analysis: France

Strengths	Weaknesses
<ul style="list-style-type: none"> • France ranks as the largest producer and consumer of wine, accounting for 20% of world production and 14% of consumption • French producers have experience • French wine is branded as high end already due to the French's commitment to technique and high-price • Wines and spirits: 1st item of the agri-food trade balance • Recognition of the French know-how at international level • Product linked to the image of France abroad • The quality of wines and the variety of wines products • A production that can generate high revenue in some vineyards • Wine industry that creates jobs and added value • A low dependence on state aid • Brands strong integrated in powerful groups for cognac 	<ul style="list-style-type: none"> • Improving economic analysis to managing climatic risk (e.g. encouraging innovation) • More co-operation between inter-professionals • Measures designed to manage climatic risk are surely to be welcomed • Unfocussed asset allocation dedicated to below-premium wine • Fragmented value chain and distribution processes • New entrants disadvantaged by start-up costs and lack of brand image • Weakening financial health of wine SMEs (e.g. poor credit, low margins) • Culture making it difficult to adapt quickly to changes in the market • Loss of holdings cultivating specific and local vines • Lack of specialised vineyards for some productions • Declining domestic consumption; • Loads up strengthened by low productivity • Industry conservatism making it difficult to innovate • Transmission difficulties of holdings cultivating vines • Weak understanding of appellation Geographical Indications System • Regulatory constraints impacting on low average productivity • Generation of significant operational margins • Moving from premium positioning export to a full range of wines.

Opportunities	Threats
<ul style="list-style-type: none"> • The increasing international mobility • Climate is conducive to growing premium grapes • Grape growing restrictions are reducing • Regulation environment fosters the growth of premium over basic • A worldwide rising consumption • Exports to third countries sharply increase • The development of sparkling wines and rosé • The development of "in bulk " wine trade • 7 countries combine now 60% of world consumption. The global market development will be done by recruiting new consumers in new countries • Significant increase of wine tourism 	<ul style="list-style-type: none"> • Inability of the appellation system to appeal to what is becoming a global way of understanding wines (Business Report,2004) • New World Wines and ability to produce high end wines at lower costs/higher margins • High costs and low productivity compared to some competitors • A regulatory framework which discourages innovation • External economic, social and political challenges facing French wine makers • Consumer purchasing power may not be great enough to afford premium wines • A long, multilevel value chain, with service providers in many of the links lacking either the scale or expertise to operate efficiently • If the product focus is on ultra-premium wines, all Grand Strategies can be used (Market penetration/consolidation; product development; market development; diversification) • Challenge of on-going economic and environmental factors • Renewed dynamism in producing countries :Italy and Spain • Public health concerns in many consumer countries • Sanitary and quality problems related to climate change • The risk of substituting, in France, a competition between regions to competition between types of products

SWOT Analysis: Poland

Strengths	Weaknesses
<ul style="list-style-type: none"> • The wine sector is developing year by year • Respecting workers and their rights, knowledge in field (e.g. work-life balance) • High level of awareness in field of environment • Constant improvement of knowledge and experience of wine producers • High level of knowledge and awareness in field of ecosystem management • Wine producers run business in eco-friendly and sustainable way 	<ul style="list-style-type: none"> • Lack of experience or small experience among Polish producers • Lack of know-how in field of wine producing • Weak level of knowledge related to quality management • Weak level of knowledge in field of marketing and use of social media • Many enterprises do not have clear business plan • Most of producers have not developed non wine based income streams (e.g. eco-tourism)
Opportunities	Threats
<ul style="list-style-type: none"> • Raising popularity of Polish wine on national market • Regular organisation of events promoting Polish wine by self-governments • Raising knowledge and experience of wine producers • Participation in European projects, exchanges, seminars and training courses • Development of associations of wine producers • New legislation promoting ecological production and respecting worker rights (e.g. work-life balance) 	<ul style="list-style-type: none"> • The business of wine producing is only developing in southern Poland due to warmer climate • Stereotype that Polish wine cannot be good • Wine producers face problems common for Polish SMEs (e.g. high costs of work, high taxation etc.) • Lack of general program of support for wine producers on governmental level. • Low level of knowledge in field of resource management



SWOT Analysis: Portugal

Strengths	Weaknesses
<ul style="list-style-type: none"> • Focused on maximizing efficient the use resources and equipment • Greater implementation of social responsible practices • Majority of small vineries, small business entrepreneurs, also medium and large producers and wine cooperatives • Most of the vineries are located in rural areas with close proximity and involvement of the local community • Cultural and natural heritage for wine production • Increasing production of biological wines, although cost associated is high • Diversity and uniqueness of territories, mainly Douro and Alentejo regions, with different wine varieties • The investment in technology and better equipment have been contributing for the improvement of the SME's producers quality • Social responsibility practices have been increasingly undertaken by the producers • Greater consideration of the environmental issues and sustainability practices by the producers • Great percentage of exported Portuguese wine • Existence of a quality, control and protection system to certify the quality of wines - Controlled Denomination of Origin (DOC) • Great influence of wine in the tourism sector in Portugal 	<ul style="list-style-type: none"> • High operational cost related with the adoption of sustainable practices is an obstacle for a greater implementation of best practices, mainly in the private sector • Reduced Marketing and Sales know-how specially among small companies • Few advertising campaigns held among potential target markets • Lack of documented waste management plans in SMEs and structured action plans for reducing waste • Lack of defined and well established business plans in SMEs • Low usage of renewable energy resources (e.g. solar, wind, bio fuels); • Low qualified human resources • Few training opportunities promoted by the employers to their collaborators • Despite the opposite trend, persists a low wine culture production level when compared with the EU average

Opportunities	Threats
<ul style="list-style-type: none"> • The increasing international mobility could be an opportunity for the sector development • Wine sector good growth prospects at international and European level • Territorial conditions for biological wine production • Cooperation between companies with the same DOC, facilitating the action capacity and visibility of this companies • Application of technological development to obtain high-quality products • Improved productivity by the use of new vineyard and wine production technologies • Dissemination and promotion of national grape varieties with unique characteristics 	<ul style="list-style-type: none"> • Strong dependence of certain regions where the supply and demand is concentrated: The supply is high dependent on regions of Algarve, Lisbon and Madeira; the demand depends mainly of four source markets - the UK, Spain, Germany and France • Shortage of skilled human resources working in the sector • Not through regular monitoring of business opportunities and threats • Not through regular monitoring of suppliers performance • The introduction of new products lacks of clear, written plans • Reduction of subsidies and government incentives for renewable energy usage • Increased competitive environment can be a threat to small producers

SWOT Analysis: Romania

Strengths	Weaknesses
<ul style="list-style-type: none"> • Exceptional climatic conditions for viticulture and various native varieties • Wine culture • Wine SMEs have their strength expressed by the highest score at pillar Profit, as most of them are concerned about profit growth not just turnover growth; they similarly monitor the profitability of their products and seek ways to improve these • The majority of wine SMEs are family businesses who take their communities and social responsibilities seriously, and support their community-based activities/events; in the same way they host events at their wineries to engage their local communities; they also network with other local vineyards and business owners • Most of wine SMEs are aware of how environmental performance may impact their businesses 	<ul style="list-style-type: none"> • Low level of knowledge in field of marketing: only one third of the SMEs have websites as a means to promote their business and it should be considered an asset for any marketing strategy; half of the wine producers do not have up dated promotional materials • Majority of small wine producers do not have a well-defined job-description for each employee and continuous training organized in order to promote competence development and business growth • Lack of detailed, accurate records of their key stakeholders • A relatively high number of SMEs have not developed non-wine based income streams (e.g. Eco-tourism, craft or food products) • Lack of using renewable sources of energy to cut down the cost of production and be more environmentally friendly; most of small companies do not have a written plan specifying targets and actions for reducing the energy usage and a written environmental and sustainability policy • Considerable number of the SMEs use chemicals more often than it is absolutely necessary • Lack of using a variety of measures to monitor their impact on the environment

Opportunities	Threats
<ul style="list-style-type: none"> • Strategy and financial management is the sub-pillar with room for improvement (e.g. written business plans, expertise on cash flow strategies and business investment) • Although most claim to have a plan to increase their sales and they constantly evaluate threats and opportunities they face, more expertise is required on how to develop a clear, well defined marketing strategy and even less than half use social media tools or have an updated website and promotional materials to communicate with clients and stakeholders • The majority of SMEs focus on new ideas for new products and seek ways to improve their products, expertise is required on how to elaborate a clear, written plan for introduction of new products • Increase of alternative tourism based on wine: wine-tour, tourism based on wine and gastronomy, craft or food products, etc • Regular organisation of local wine-festivals • Development of associations of wine producers • Though most are aware of how environmental performance may impact their businesses and they state that they are committed to protecting and conserving the local ecosystem, competences need to be improved for environmental and sustainability policy implementation and for the use of various measures to monitor the impact on the environment • Use Funds from the EU and local government for adopting alternative energy • Promotion of native varieties with unique features • Continuous training of the small wine SMEs 	<ul style="list-style-type: none"> • Insufficient emphasis on strategic investment (equipment/technologies, human resources, marketing, etc.) which is a negative influence factor in terms of sustainability • Most of the wine SMEs do not have a clear, written business plan, which is crucial to keep the balance between the three dimensions of performance and lead to sustainability • “Marketing & Sales” needs to be improved and a well-defined marketing strategy developed including modern marketing tools, such as the website, social media, and updated promotional materials • Human resources management needs to be focused on in order to assure competence development and business growth • Low level of knowledge in resource management: small wine producers should also have a written plan specifying targets and actions for reducing energy usage by increasing renewable sources, as well as for regular inspections • Lack of support for small wine producers on governmental level • High technological costs • High taxation and inconsistent legislation

SWOT Analysis: Spain

Strengths	Weaknesses
<ul style="list-style-type: none"> • An important factor of strength for the companies (SMEs) is the quality of its raw material (grapes) • Being part of a certificate of origin as important, both nationally and internationally, it provides the company with very positive benefits for your business. • The Rioja red wine has taken the lead in the wine national market. • Great capacity for innovation and improving the competitiveness of the sector and the company itself. • Wine culture • Aragon region has 4 Designation of Origin: DO Cariñena, DO Calatayud, DO Campo de Borja and DO Somontano which account for 90% of wine produced • D.O. Somontano and D.O. Campo de Borja have increased their export • Technological improvements implemented in the field and in the winery that result in improved quality of the wine. • Existence of native varieties in our territories. • Progress in land consolidation of holdings • Vertical integration of all levels of the industry (production, processing and marketing). • Creation of commercial companies participated by the Administration to encourage the concentration of supply and reach international markets. 	<ul style="list-style-type: none"> • Weak coordination between existing wineries because all offer the same experience: diffuse or advertise the wine production process with practically the same explanations • The traditional family management carried out by the wineries in this sector causes huge difficulties in adapting to new market trends • The wine sector is composed of a large number of small and medium-sized wineries with a production system based on tradition and knowledge processing transmitted from generation to generation, which means that your labour in most of the cases lack of training, as they are related to the field employees and the land began his working life at an early age • Lack of use of synergies, for example we can saying the lack of brainstorming meetings to discuss alternative ways to work more effectively, multi-business teams working to develop plans for major accounts clients, coordinate product development, integration shared to achieve economies of scale or knowledge services, etc. • Irregular development of the 4 D.O. • Lack of planning in the chosen varieties (fashionable) in restructuring leading to a deficit of native varieties. • Lack of uniformity or sorting of the raw material based on the various territories where the holdings of members of a cooperative are located. • Shortage called premium wines, which prevented from reaching certain markets. • Lack of common strategies between the Designation of Origin which might be appropriate in local markets.

Opportunities	Threats
<ul style="list-style-type: none"> • The authorities consider the sector as a basic axis for the efficient development of agricultural policy, environmental, tourism • Outlook for growth in the future such as grape juice, sparkling wine, spirits, musts, low alcohol wines • There is a great interest in Spanish wine culture, especially the Rioja. Both foreign and domestic tourists have a growing interest in the culture, landscapes and everything related to wine tourism. • Increase in wine consumption in areas/countries of non-traditional consumption and have high expectations for growth in the domestic market (e.g. UK and Germany) • Possibility of developing sales networks abroad, take advantage of the support offered by the R + D + I • El enoturismo is a strong reef for wineries in Spain and La Rioja for its history and tradition • Aragon government support wine sector as a strategic development line and increase of wine tourism in Aragon • In 2016, Zaragoza will celebrate the Garnacha Congress, and international event • Highly fragmented productive sector that could be directed toward organic products that require lower surfaces. • Enhancing existing native varieties in order to differentiate the product • Possibility to use the products of wine destinations for use as biofuels • Increased spending in the home of fine wines • Image of wine as a health food, especially red wine, directly related to the Mediterranean diet 	<ul style="list-style-type: none"> • Decreased of wine consumption in Spain • Surplus wine and grape which in turn causes enormous price declines of wines. • Greater competition from large winemaking firms in the world (e.g. German, South Africa Chile, Argentina, Portugal and Italy) • Increase in the cost of energy increases the total costs • Competence of another Spanish wine regions (e.g Rioja, Ribera del Duero) • Investments to improve industrialisation can cause a loss of profitability, they are not adjusted to the real needs of the wineries • Tax increase that record came to regard him as an alcoholic drink instead of food • Power and concentration of distribution against the large number of companies. • Globalisation of markets that trade in wine favors emerging countries with large holdings. • Consumer confusion by the excess and references brands on the shelves.



SWOT Analysis: United Kingdom

Strengths	Weaknesses
<ul style="list-style-type: none"> • Relationship with and understanding of customers • Recognition of the importance of ecosystem management • Commitment to the environment and sustainability • Owner's long term plans and vision • Attention to continuous product and performance improvement • Managing health and safety • Wine production and quality assurance processes • Networking within the sector • Record management for chemical and preservative usage • Crop and wine sampling and quality analysis • Product and supplies traceability 	<ul style="list-style-type: none"> • Business and resources planning • Performance management • Monitoring cash flow and product profitability • Consistent use/up-date of website and social media • Employee training and development • Written plans for energy usage and savings • Use of comprehensive waste management strategy
Opportunities	Threats
<ul style="list-style-type: none"> • Engagement with local community and stakeholders • Supply chain management and improvement • Exploitation of wine associations (lobbying) • Use of social media and digital marketing • Access to external support • Diversification plans (e.g. ecotourism) • Use of alternative energy sources 	<ul style="list-style-type: none"> • Emerging trends in operating environment • Development of markets (UK and international) • Competitor activity and strategy • Attracting and retaining workforce • Legislation changes • Cost of energy and water