

CASE STUDY: TRANSFORMING THE WORLD OF WINE FOR AUSTRALIA WITH WEILONG



THE CLIENT

Weilong is China's 3rd largest winemaker. Founded in 2007 and based in Longou, China, they sell organic, red, white, green, rose, sweet and sparkling wines, grape special liquor and brandy. Weilong's Australian team consists of 26 members and they have substantial investments in Australian vineyards and also constructed a \$110 million winery, which was the largest infrastructure investment in over a decade and is now the 8th largest winery in Australia.

MORE THAN JUST MOVEMENT. YOUR IDEAL GROWTH PARTNER. TAKING YOUR BUSINESS FURTHER WITH SUPERIOR SERVICE AND SOLUTIONS.

THE CHALLENGES

As is par for the course in any long-term working relationship, Transolve has worked alongside Weilong to continually deliver and refine their global logistics operations in order to increase both their capability and competitiveness.

Throughout this long-term partnership Transolve has worked through varying challenges and opportunities and delivered many benefits. And whilst they are too numerous to list, outlined below are five examples to help convey how Transolve has made an impact on the capability and competitiveness of Weilong.

THE SOLUTIONS

1

CHALLENGE: WEILONG HAD LIMITED KNOWLEDGE / EXPERIENCE IN THE TRANSPORTATION OF BULK WINE FROM AUSTRALIA TO CHINA. TRANSOLVE WAS TASKED WITH ESTABLISHING AN EFFICIENT GLOBAL LOGISTICS SOLUTION TO OVERCOME THIS CONSTRAINT.

Weilong's initial foray into Australian wine production was a novice one. With limited wine exporting experience, they needed a global logistics partner who understood that whilst the lack of experience was a challenge, it simultaneously represented an opportunity to prove that, with the right logistics solution, Australian wine could be exported efficiently into China, tapping into this huge market.

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OPPORTUNITY: TO ESTABLISH AND MANAGE AN EFFICIENT GLOBAL LOGISTICS SOLUTION TO ENSURE THE SUCCESSFUL IMPORT OF BULK WINE FROM AUSTRALIAN WINE PRODUCERS, WHILST SIMULTANEOUSLY IMPROVING THE CLIENT'S COMMERCIAL AND TECHNICAL KNOWLEDGE.

Transolve Global's turnkey logistics solution empowered and enabled Weilong to start exporting Australian wine into China as Transolve managed (and still manage) the global bulk wine transportation function from end to end.

Responsible for the set up and management of the global logistics function, not only did Transolve (and still do) operate as their sole global logistics manager, but Transolve's continual strive to save costs and improve processes has supported Weilong's growth and reach into the Australian wine market.

In addition, Transolve's unique and innovative commercial documentation management service meant Weilong could be exporting efficiently in minimal time, as Transolve Global took care of all documentation from commercial invoices, to certificates of origin preparation through to standard export declarations and PRAs for the receivable into the port terminal. In essence not just increasing, but being wholly responsible for providing their capability and competitiveness across the supply chain so they could commence purchasing Australian bulk wine.

In addition to the set up and management of the global logistics function for Weilong, Transolve continually develops Weilong's knowledge and experience with regards to the transportation of bulk wine and prides itself on transparency, education and empowerment and shares all aspects of the logistics function such as the processes involved, existing challenges or opportunities and more. This ensures that whether a novice or well-seasoned professional, Transolve is continually improving the capabilities of their clients.

2

CHALLENGE: DEVELOPMENT OF AN ALTERNATIVE PORT IN CHINA

With a less than optimal port receiving the imports of Australian wine into China, Weilong tasked Transolve Global with the challenge of sourcing an alternative port that would better serve Weilong's needs.

OPPORTUNITY: IMPROVE LOGISTICS, REDUCING COST AND TIME

Whilst not often considered as the 'first port of call' for imports, Transolve Global undertook the necessary analysis of potential cost and time benefits of redirecting the delivery of bulk wine to a port based at Qingdao, China. After identifying the cost and time benefits that would be delivered by this move, Transolve Global undertook the required negotiation with relevant parties and management of the route coordination to successfully achieve the establishment of the alternative port at Qingdao, China. Achieving many benefits such as a shorter barge to traverse, more efficient cargo discharge and easier import customs clearance.

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3

CHALLENGE: BESPOKE FLEXITANK INNOVATION. ANALYSED, COORDINATED AND MANAGED BY TRANSOLVE GLOBAL

An innovative approach means Transolve Global is continually striving to achieve cost savings and improve best practice for partners. Here both Weilong and Transolve Global identified the opportunity to reduce flexitank costs without sacrificing the quality of wine.

OPPORTUNITY: ACHIEVE COST SAVINGS WITH NO LOSS OF QUALITY

Whilst most supply chain consultants would not undertake such a task, Transolve developed and managed bespoke flexitank tests. These tests were carried out over a period of 6-9 months and involved the analysis and trial of potential combinations to identify the optimal combination of flexitank technologies to ensure quality whilst reducing costs.

4

CHALLENGE: CONSTANT QUALITY ASSURANCE

To ensure the product arrives at its destination in the same condition it left the loading winery. With wine exports to China worth approximately \$520 million (and growing), plus other international markets, reliable logistics is a primary component of successful exporting.

OPPORTUNITY: UTILISING INNOVATIVE TRANSPORT SOLUTIONS

Transolve Global's innovative services help Australian wine producers capture these market opportunities and sell more wine more profitably. Many supply chain organisations don't realise how detrimental temperature can be when it comes to the transportation of wine. Inappropriate shipping temps can accelerate the ageing of a wine by up to 18 months, or one and a half vintages in certain circumstances. That's why Transolve manages high-end wines in reefers and general containers with thermal blankets. They also have ISO tanks specifically manufactured for wine products and provide clients with state of the art temperature trackers to monitor the temperature inside the containers for the entire journey.

5

CHALLENGE: STREAMLINING OPERATIONS FOR MAXIMUM EFFICIENCY

With Wielong's foray into Australian wines growing and exports running smoothly, their interest in developing the Australian component of their business grew. This interest saw the construction of a \$110 million winery in Victoria, the 8th largest in Australia.

OPPORTUNITY: ESTABLISH BEST PRACTICE APPROACH TO LOADING PROCESSES

With the new winery came the opportunity to organise operations as efficiently as possible which saw Transolve consult on the optimum set up to ensure a streamlined and seamless loading process.

THE BONUS ROUND

Transolve Global and Weilong commenced working together in 2009 and to this day Transolve continues to manage Weilong's entire global logistics operations. This includes full supply chain planning, co-ordination with multiple winery loading locations, all documentation requirements and China destination handling.

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THE CLIENT TESTIMONIAL

"It is not an exaggeration to state that without Transolve's support of Weilong, we would not be where we are today.

When Weilong brought me on board, I was the sole Australian-based representative for the company - and was tasked with evaluating the feasibility of exporting bulk wine from Australia to China.

At this point in time I had no prior knowledge or experience in exporting wine and needed to find the right logistics partner who I could rely on to not only set up and manage the global logistics but also a logistics partner who would be transparent about what's involved and open to sharing their knowledge and expertise to support our development and learning in this space.

Cue Rachael and her business Transolve Global. Right from the beginning of our working relationship the Transolve team was reliable, transparent, proactive and vested in the success our business.

Transolve Global not only set up and managed the global logistics operations so we could transport bulk wine into China, but they also coordinated and lodged all the necessary documentation along the way.

This ability to outsource our logistics was integral to the success of this venture for Weilong. As I was predominantly based in China for 8 months of each year in these early set up years, the ability to effectively "handball" our logistics function to someone like Transolve who not only delivered, but went above and beyond in terms of making sure I was across everything that was happening, that issues were dealt with proactively so they wouldn't become problems and that any cost or time savings possible were achieved, was invaluable.

It not only provided us with the capabilities needed to actually bring this venture to life, but their continual drive to ensure optimal global logistics meant we were operating as competitively as we could.

Their ability to improve our capabilities and competitiveness can be seen in a myriad of ways. From establishing the entire supply chain, to managing all the documentation, through to finding ideal and innovate methods to reduce packing costs, to using unique equipment such as ISO tanks to ensure the quality of the wines are maintained through to being open, transparent and happy to share in what they know and how best to help us, they are simply a logistics firm that sits above and beyond their peers in terms of dedicated service and solution providers.

In fact, Weilong and myself were so impressed by just how efficient and empowering Transolve were that to this day, we continue to work with them.

A successful growth journey they have been a large contributor to as each improvement in capability and competitiveness they have delivered, has ultimately contributed to the bottom line at Weilong. A bottom line that has grown to include an Australian contingent of 26, investments in vineyards, and the building of the 8th largest winery in Australia - our \$110 winery in Victoria, which was the largest infrastructure investment here in Australia in over a decade.

Without a doubt Transolve Global is a large component of our overall success, and it for this this reason I look forward to continuing our working relationship with them well into the future.

Bruno Zappia
General Manager, Australian Operations
Weilong Wines