

GSB raises a glass as it wins fourth successive Backsberg Vino Varsity Challenge

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A GSB team defeated rivals Stellenbosch in the 2018 Backsberg Vino Varsity Business School Challenge with its professional and meaningful solutions to an unusual challenge.

Rivals UCT Graduate School of Business (GSB) and Stellenbosch Business School (USB) squared off once again at the fourth annual Backsberg Vino Varsity Business School Challenge this June. The 2018 challenge required the competing teams to tackle an unusual topic: Do the marketing efforts of the [Old Vine Project](#) make financial sense in the context of the greater South African wine industry? The Old Vines Project is a private initiative that aims to preserve vines older than 35 years, creating an awareness of their heritage.

Joel van der Schyff, who headed up team GSB, explains that because older vines absorb less water, the concentration of the flavour of the grape is heightened. However, the problem is that the yield is lower so the challenge is to obtain sustainable value per hectare.

"Our research revealed that bulk exports of wine were less profitable than exports per bottle at a rate of about one to six, so we would need to come up with a product that would be exported by the bottle," he explains.

"This would have to put it into the category of ultra-luxury wine in the export market: China, Europe and America, priced above \$20 per bottle. We discovered that in these countries, most South African wines feature in the 'cheap and cheerful' category and do not merit a special 'shelf' of their own. Our goal therefore, was to ensure that our solution would put the old vine wines in a unique category that would make them specifically sought after."

In what Simon Back of Backsberg Estate Cellars, who launched the challenge four years ago, describes as "a very professional presentation," team GSB proposed a winning strategy to market the wine with an historic legacy, telling its story and describing the soil, winemaker and unique aspects of each wine.

"We leveraged the understanding and insights of the Business of Wine course at UCT and the Old Vines Project itself," van der Schyff continues, "Also obtaining all the data and statistics on wine exports from Vinpro and Stats SA. Some of the older vines are on the West Coast where the old Saldanha trade route was and others east of Cape Town, where the original refill stops were sited, planted to supply traders coming through. These all have a fascinating history."

According to Back, there might well also be some practical application of the solutions the GSB presented. He says that both presentations offered some insights that he could apply not only to his own initiatives, but to the broader industry.

"One of the aims of the competition is to get bright young business minds to apply their ingenuity to different wine topics and find innovative solutions, and over the four years the competition has been running, I believe this has been successful," he comments.

The competition also included a challenge between four mixed teams, including students from both Stellenbosch and UCT business schools. They were required to blend specific wines, design brands and labels and pitch and present them to a panel of judges.

"The idea of the competition is to be a catalyst for and encourage a passion around wine," says Back. "We are building connections between ourselves, the wine societies and the business schools and ultimately stimulating interest not only in Backsberg, but the wider wine industry. The competition also provides an excellent opportunity for the business school

students to interface and network with their counterparts while showcasing their skills.”

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