

Learning Landscapes: needs and opportunities in the wine sector

Executive summary

Research activities within The Wine Lab aimed to set up the theoretical and practical ground of the project work, to learn from the context and be updated on state of the art in the field, and to identify perceived opportunities, constraints and needs of the sector.

Different target groups have been consulted by using different instruments, namely the Delphi technique for experts, semi-structured interviews for winemakers, policymakers, and key local respondents; an online survey for students. These have been designed on the basis of a preliminary literature review, which has also been the starting point for comparison with collected data in the areas of investigation, and which has been enriched with data analysed through desk research on running practices in university-business cooperation in the field of wine.

Area of the investigation, differently deployed across targets and applied methods for collection, have been:

- Difficulties of wineries located in disadvantaged areas
- Potential of university-business cooperation, and networking action at local/regional level between wineries and other stakeholders;
- The potential for territorial development, as actions based on the cultural heritage and identity strengths;
- Skills mismatch and employability.

A policy-focused inquiry was transversal to the areas.

Key conclusions can be summarised as follows:

Difficulties of wineries located in disadvantaged areas

In general, data confirm the difficulties of wineries already identified by the literature on small businesses, agricultural business, and particularly family business:

- Characteristics of the wineries: family estates show the typical problems that family businesses have, such as generational transition, leadership recognition, limited flexibility and so on.
- Size of the companies: small companies have difficulties to access markets and have strong positions in bargaining, to have resources to invest and get loans from the banks, to attract qualified workers, to manage the business necessary beyond production (planning, administration, marketing).
- Location of the company: being settled in a specific area might require extensive labour for cultivating grapes, higher costs of transportation, which impact on the price of the final product, difficulties with the attraction of workers, also seasonal workers, and difficult mechanization.
- Limited production: limited production can inhibit export and the chance of reaching a global market; the size could negatively affect firms' bargaining power towards distributors and retailers;
- Bureaucracy: this is seen as a big issue, perceived as inhibitor of entrepreneurial creativity, too much time consuming, and also a barrier to hiring new/seasonal workforce;
- Labour shortages: this applies both to seasonal and permanent workers, and it is considered dependent from the above-mentioned difficulties (e.g. disadvantaged location; little capacity of investment, then of attraction; the size of the company that has few senior positions etc.).

However, alongside difficulties, also strengths of small wineries have been highlighted, such as:

- Features of the products sold: having high quality wines shape a positive reputation of small wineries and it contributes to reinforce country image;
- Location and the set of tradition and culture are an asset for small wineries as well as typical grape varieties.
- Be niche players represents a great chance not only for a wider degree of flexibility in terms of margins, but also for the opportunity of carving out new niches where the degree of competition is lower.

University-business cooperation and networking

- Almost all respondents understand that they could benefit from a closer relationship, however it also appears clear that the gap between researchers and professional is still high, and the aim of cooperation is not completely shared;
- Relational drivers are confirmed as fundamental for the establishment of positive relations: building cooperation means therefore build trust between players;
- Producers and policy makers do not share the same view on local networking and its potential: producers are more focused on reciprocal support with peers and stakeholders, and useful cooperation with universities mostly for applied research tackling present problems, then looking at a short term impact; policy makers see networking at a system level, as combined cooperation in research, lifelong learning opportunities, preparation of future workforce (students), then looking at a long term impact;
- Internships, which is the most typical and easier form of UBC, is widely recognised as important, but also in this case there is a different perception by the target groups of the student him/herself, as “an employee” (producers) or as a “mediator of innovation” (universities), or as “future worker” in individual terms (student) or socio-economical terms (policy makers): this affects expectations and meanings of the internship experience of all involved players;
- Networking requires time: this is considered a barrier for a smooth development of regional networks.

Territorial development on cultural heritage

- Tourism is widely recognised as the most promising field for development;
- Region relevance: the proximity of wineries to final customers is recognised as mean for creating an interest towards the region and its cultural and touristic offer;
- Wine makers do not count very much on networking as mean for territorial development, but stress the need of financial investments from policy players.

Skills mismatch and employability

- Mismatch of skills is perceived above all on a missing link between theory and practice;
- Lack of business, marketing and financial skills, intended as transversal to all disciplines, is pointed out both by wine makers and policy makers, while students seem to be less aware about this aspect;
- Soft skills are widely recognised as crucial for employability by all targets;
- Job creation is not seen probable, neither by the producers, nor by the students: both of the targets however focus on the present situation, and not on a prospective opportunity (e.g. creation of jobs related to wine tourism);
- Students are not confident about their potential as graduates for the market, in general and also in the specific sector.

Policies

- From the wine makers perspective, policies are not enough focused on interventions for specific needs (e.g. support for sustainable practices; support for export);
- Information about policies and their funding programmes are not enough clear for companies;
- Management of funding is perceived as too complicated for a small company.

On this background, the following **recommendations** are formulated, for the next stages of The Wine Lab project, but above all for contributing to the sector development:

- University business cooperation should be pursued in the wine sector, by taking advantage of all forms of joint work (joint research, product development, mobility of academics and students, etc.): the most important investment however should be put in **building trust** between players, and the organisation of joint activities should be designed to contribute to that;
- Networking at a territorial level should also be pursued: this can be done by the universities through the **involvement of tourism and cultural players**, such as companies, associations, and other concerned audiences, to the hubs meetings, or to events organised for the purpose. Also working with already existent events or networks by bringing in wine players can contribute to the purpose;
- Particularly universities need to work more effectively on **students awareness**, and on their capacity of understanding the territory and the business environment, and on the development of soft and transversal skills;
- Universities and business should deepen cooperation for **curriculum design**: this applies mostly to not-specific technical skills, as in example business skills. This will require support also from educational policymakers;
- **The internship** should be reinforced: the project behind the internship period should be defined, both sides (students and companies) should tune their expectations on the basis of a shared programme. Universities should be in charge of this process of improvement.
- Policymakers need to create more “**dialogue spaces and places**” with **local players**: even regional strategies such as the smart specialisation require local implementation, then common understanding and joint effort. To this aim, it could be considered that also not official events (e.g. consultations), but sectoral events can be spaces for sharing, understanding, and collect useful data for policy planning;
- Policy makers and intermediate bodies need to formulate more **effective communication** strategies on policies and make aware local players about their role in regional development.