

BODEGA OTAZU is the most northern winery in Spain with a D.O.P. Pago certification. It is located 8 km from Pamplona, only 60 km from the Cantabrian Sea and 35 km from the Pyrenees, in a small valley crossed by the Arga River and surrounded by the mountains of Perdon and Sarbil.

BODEGA OTAZU's philosophy is to produce quality wines that convey their origin and the richness of their *terroir*. Therefore, all of our wines are made exclusively with grapes from the 116 hectares of vineyards that surround the winery: Tempranillo, Cabernet Sauvignon, Merlot, Chardonnay, Pinot Noir, Cabernet Franc and Berues. In addition to having the D.O. Navarra, **BODEGA OTAZU** is one of 19 wineries that has the Origen Protegida Pago (**Protected Denomination of Origin**) recognition, the highest category that can be obtained by a vineyard in Spain, which guarantees the selection and inimitable personality of each of its wines. Otazu is more than a winery, it is a Señorío, it is a wine museum, an art gallery, a cathedral to wine, and all this is located in a special environment next to the Arga River valley with Peña de Echauri in the backdrop.

The winery's vision is to be recognized worldwide as a winery that fuses great wines with contemporary art. We are very focused on the quality of our wines, the human and professional excellence of the people who make them, constantly innovating and improving our processes, and being a sustainable organization. To achieve this vision, **BODEGA OTAZU** is Comprehensively Transforming its Processes.

In October 2022, together with London Consulting Group, we started the transformation project called "El Envero de Otazu" (Ripening of Otazu) which focused on improving and standardizing the vineyard/innovation operations, Domestic Sales Intelligence and Productivity, Developing our Management Skills, and Digital Transformation. This was carried out using Agile framework methodologies and a collaborative approach that focuses on the client and the user. During this phase with London Consulting Group we were able to achieve the following results:

Vineyard & innovation

- **Vineyard Strategy:**
 - Re-focusing 31% of the vineyard which increased our expected profitability. This decision was based on quantitative and qualitative analysis.
 - The area dedicated to medium-high range production increased by 51%.
- **Master Plan for Agricultural Tasks:** Establishing a Master Plan for Agricultural Tasks and optimizing the Farm Master Plan, determining the protocols and the productivity standards for each critical task.
- **Management Control:**
 - A control and management model was established for each of the tasks. This was based on active supervision and monitoring performance through the development of a control panel in Power BI.
 - 20.4% reduction in direct labor costs.
- **Work Quality Control:** A quality evaluation model was designed and implemented for critical tasks, which allows us to monitor and make decisions based on the variables' behavior and the agricultural work carried out.
- **Harvesting Master Plan:**
 - A Harvesting Master Plan was established for phytosanitary and fertilizing tasks, using the existing field App and developing new Power BI dashboards that enable us to monitor and manage the tasks.
 - We expect a 69% reduction in fertilizer cost per hectare.
- **Maintenance:**
 - Implementing a system for measuring and managing maintenance hours and frequencies. This was done by developing an appropriate control panel in Power BI.
 - Developing and implementing a maintenance plan for the machinery and equipment.
- **Procuring Inputs:**
 - Defining a procurement model and inventory policies for materials and inputs.
 - Improving how the materials' incomings and outgoings are registered on the ERP system.

Domestic Sales Intelligence and Productivity

- **Pricing strategy:** A pricing strategy was established, achieving a price increase of between 7 and 9% across the different product ranges.
- **Sales strategies:** Sales strategies were defined which resulted in a 17.3% increase in the average price per bottle.
- **Sales budget definition:** A sales budget model was developed which resulted in a 29% increase in sales for the medium- high range and a 419% increase for Top Range bottles due to better management processes.
- **Implementing a CRM System:** The Warehouse department received guidance on selecting and implementing a CRM system that is based on the functionalities that each business user-unit requires.

- **Incentive scheme:** An incentive scheme was established for the Domestic Sales team that is based on compliance with the budget and performance evaluations.
- **Buyer Personas:** Buyer Personas and a service model were established through Agile workshops in order to create a more systematic approach which supports the implementation of the CRM system and the automation of sales inputs.
- **Customer segmentation and allocation:** The customer segments and maps were reviewed and improved.

Digital Transformation

- **Data Engineering:** Developing a DATA LAKE based on information from the ERP (Sales Module) and the Field Control App. The DATA LAKE allows us to have all the data connected and to monitor it in real time.
 - Designing and developing a SQL data model (+35 control panels).
 - Designing and developing the ETL process (Extract, Transform, Load) through scripts in Python (+750 lines of code).
 - Developing a Python application that enables us to upkeep the database.
 - Configuring the cloud environment (Microsoft Azure) in order to minimize costs (less than 5 euros per month).
- **Data Analytics:** Sales and field control panels in Microsoft Power BI.
 - Developing a data model in Microsoft Power BI using the information from the Data Lake.
 - Developing indicators and visuals in Microsoft Power BI.
- **Low-Code Application Development:** Wine making control and traceability.
 - Developing a functional design of the application and the data model in Microsoft Dataverse based on an analysis of the wine making process and its traceability.
 - Developing screens and application functions in Microsoft PowerApps.
 - Developing automated reports in Microsoft Power BI that enable us to trace the process, from grape harvesting to final product.
 - Carrying out Pilot tests with the processes' users and implementation.

Strategic Transformation

- **Strategic alignment:** Developing and carrying out a strategic alignment workshop with the managers.
- **Defining the Business Model:** Based on the results of the strategic alignment, a five year Business Model Canvas for the winery was developed.


Managerial Skills Development

- **Leadership Accelerators Program:** Carrying out 9 two hours sessions (180 training hours).
- **Managerial Skills Development Program:** 7 two hours sessions (154 hours of training).
- **Operative Skills Workshops:** 4 two hour workshops (96 hours of training).
- **Coaching program:** 10 Individual Development Plans (IDPs) were developed for each of the participants.
- **Innovation HUB Program:** 4 Improvement Projects were presented by 16 participants.

By the end of this first phase of the project we are happy to say that both our quantitative and qualitative expectations have been met and exceeded. The project generated a 0.5:1 return on investment with a 2:1 forecasted return in 2 years time. We would like to acknowledge the effort, commitment and professionalism shown by the London Consulting Group team. They truly integrated themselves with the Bodega Otazu personnel in order to analyze, discuss and implement the changes and improvements to the processes within the project's scope.

We would like to highly recommend **LONDON CONSULTING GROUP** as a company that is committed to achieving the goals within the established time frame whilst creating an excellent professional relationship with the organization's personnel.

Sincerely,


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CEO

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