Understanding costs should be as easy as ABC

Running a tight ship.

dealing with thin margins and resources (e.g. labour, energy, etc.)

model for the wine sector. It revealed the enormous potential related ‘activities’ – from receipt of goods to delivery and disposal costs and interruption to workflow, but this cost is often not appreciated.

For the project, 2XE adapted the principles of ABC, which were first developed for manufacturing businesses. The data was then used to construct a framework that could be customised to suit the needs of each and every wine business.

In fact, 2XE CEO Nick Palousis would go so far as to say it is ‘one of the most significant projects of its kind to date in the Australian wine sector’. But that’s quite a constraining approach. It doesn’t tell you much one line-item at a time’, he said.

For a sector that’s under serious cost pressures, to have businesses that don’t have a complete grasp on where costs actually are. You have to look at the things an accountant usually don’t recognise.’

Few wineries involved in this project were prepared to invest in the resources, rather than just looking at indirect activities such as marketing.

The data revealed the enormous potential for cost savings. It also highlighted the lack of consistent and reliable methods for pricing wine loss and waste, such as basket press, bag-press cleaning and increase labour efficiency.

Likewise, a winery that can schedule its production to a particular press and grape variety can act to greatly reduce production expense that can decrease revenue’, says Palousis.

‘For example, the total cost per kL of wine pressed is significantly different compared with a winery that presses both red and white wines.аблиц

The new house pour: Solar-powered wineries:

Ricca Terra: Ratcliff’s rich land

Dry-grown vineyards

Soil analysis and soil carbon

Phylloxera management plan

Rainy day job: Tractor maintenance

Pesticide resistance

Optimum spray coverage

More testing times