

What you see is what you get

Old-fashioned qualities of honesty, trust and building relationships have been at the heart of Manchester importers and distributors Morgenrot for the past 40 years, as managing director Ray Flynn explains to Richard Siddle

For a growing army of wine producers and international breweries a nondescript industrial park in the outskirts of Manchester holds the key to their success in the UK.

For this little outpost in Swinton, Greater Manchester, is home to Morgenrot, importer, wholesaler and distributor to an increasingly impressive portfolio of premium wines and beers.

It's a handy one-stop-shop for restaurants and bars looking to stock up on multi-range Old and New World wines, as well as keep their beer fridge refreshed with international brands including Alhambra, Cruzcampo, Fischer, Krombacher, Pelforth and Quilmes.

Morgenrot's office in Agecroft Commerce Park may not linger long in the mind, but it is an important factor in the company's growing success and is also home to its own first bonded warehouse.

Taking control of its own bonded supply and distribution in December 2006 rather than using third parties has not only helped cut costs but "added an important extra string to our bow", says managing director Ray Flynn.

The bonded warehouse can store up to 1,200 pallets or 85,000 cases at any one time. Morgenrot also has a warehouse and wholesale operation in Birmingham to supply the southern part of the country through its acquired Peter Kunert



Ray Flynn (right) at Bodegas Vallemayor in La Rioja

and Pierre Henck businesses.

Flynn makes typically scouse, engaging company, always looking on the brighter, lighter side of life, and is someone who clearly has the respect of his customers.

He talks with great pride and

passion not only about the wines and beers Morgenrot can offer, but even more importantly, in his eyes, the way it looks to do business.

"We are honest and upfront. What you see, really is what you get," he promises – and you believe him.

Flynn has been with the company through many of its changes since it was formed in 1970. It started out initially supplying largely French and German wine to private customers – some of whom are still on the roster. Flynn came on board in 1999 and is well known in the trade for his time at Scatchards – arguably Liverpool's most well-known wine merchant.

Strong relationships

Flynn plays up to his scouse roots – "I can do all three tenses in one sentence" – but his sharp business sense lies at the heart of Morgenrot's growth.

"My background at Scatchards was all about building up relationships and listening to customers. I have been able to build up some very good personal friendships over the past 25 years," he says.

He also knows what it's like to get his hands dirty: "I started out at the bottom, in the warehouse, so I can appreciate everyone's job in the business as I have done them."

He says Morgenrot may not have any Masters of Wine as part of its buying team, but what it does have is a group of long-serving people passionate about the wines they have.

"We don't sell anything that we don't enjoy drinking ourselves," he says. There are some experienced palates around, with more than 50% of the staff having been there for more than 10 years.

MORGENROT: THE FACTS

- Founded in 1970 by chairman Rudi Plath in Bolton, initially offering exclusive German wine Ahrkellerei Morgenrot and French wine Les Chevaliers du Franc Terroir, as Morgenrot Chevaliers
- Changes to Morgenrot Group following acquisition of Peter Kunert in 2003 and Pierre Henck in 2007
- Turnover and growth: target to grow company to £10 million turnover by 2020, up from £4.2 million in 2009/10 and around £5 million in 2010/11
- Wine agencies include Cruz de Piedra (Argentina), Estampilla (Chile), Highfield Estate (New Zealand), Vallemayor, Consejo de la Alta (Rioja), Loxarel (Penedès), Martín Berdugo (Ribera del Duero), Castelo de Medina (Rueda), Vinicola Bennati (Italy), and Tribut-Schloesser and Bernard Remy (Champagne).
- Supplied either direct by Morgenrot in the north or regional wholesalers including its associated companies Peter Kunert and Pierre Henck Wines in the Midlands and south Wales
- Minimum national wine delivery is 10 cases and standard delivery takes three to five days
- Contact: 0845 070 4310, enquiries@morgenrot.co.uk.

Agency status

An integral part of Morgenrot's recent growth was the decision to start an agency business in 2006. It has since built up relations with a number of regional wholesalers and national accounts for exclusive wine and beer brands. Oddbins, for example, is a key customer for Argentinian beer brand Quilmes.

It has also built up strategic partnerships with other agencies and distributors, including Fuller's Brewery, EWGA, Casa Julia,



From left: Flynn at Masia Can Mayol cava tasting; at the David Scatchard Memorial Wine Tasting last year



Amathus and HispaMerchants, and pushes a number of its lines through the likes of WaverleyTBS and Matthew Clark.

"So we act as a wholesaler in our own right as well as being an importer," explains Flynn. "It is the ideal scenario for smaller importers as we can share costs and efficiencies."

It is an area in which Flynn sees further co-operation in the future. "There needs to be more flexibility in the supply chain and there are not enough suppliers offering that," he says.

On the agency side it is a case of finding the right partners, stresses Flynn. "We get a lot of producers who want to work with us, but we need to work with the right people."

He strongly believes there is a place in the market for companies with the size and reach of Morgenrot. The supermarkets, he says, have made a mass market for wines, and it is up to companies like Morgenrot to build on that with the support, service and education that consumers are looking for.

"But it is a case of adapting your lists to the margins your customers are looking for. It is not about building up a massive portfolio of wine," he says.

Hence the

growing opportunities that exist in the independents. An area of the market where personal relationships stand for something. "We have got good people in over the past 18 months – people who can build on those relationships and help us make the most of these opportunities."

He points to John Critchley, who joined from Enotria around two years ago to look after the wine side and controls sales team development. And also Graham Archibald, his "beer maestro" who joined from Ubevco's Tiger Beer, who is looking after developing the beer agency branded business and has taken over Flynn's national wholesaler account base.

Ahead of the game

Things appear to be ticking along quite nicely, with turnover in 2009/10 set to grow 18%-20%. "But, crucially, it is controlled and managed," stresses Flynn.

But he also concedes businesses like Morgenrot need to shout about what they are doing. It is something its agency customers expect. "We have got to up our whole marketing and promotional activity. But we've got some great agencies on board now and the time is right to get our name known more," he says.

It also means putting more focus

into building up its online offer and presence, starting with a revamped website.

Morgenrot's beer credentials are every bit as good as the wine and even more important in getting its foot in the door of many outlets and with potential new customers.

"We can use the strong character of our beer side to then go on and talk to outlets about our wines," explains Flynn.

"The beer side feeds the wine and vice-versa. We look to get one brand in, then another and so on."

It installed an EDI system last year to help work more closely with the multiples and is currently on board with Booths and Tesco.

"The difficulty is that the control the supermarkets have is immense and it is hard to get through the door."

Onwards and upwards

Morgenrot's eyes and ears are open for new business and new ways of working. Flynn says it has to be open to new business methods and expects potential partners to do the same. "We don't want people coming in and saying they want they want this and that. It has to be together."

As for what makes Morgenrot stand out from the competition, Flynn is as forthright as ever.

"Honesty. We don't try and squeeze people too much, but it is more a case of being realistic with them – not promising the earth, but saying we will help grow your brand in the UK if we do this together." ■

