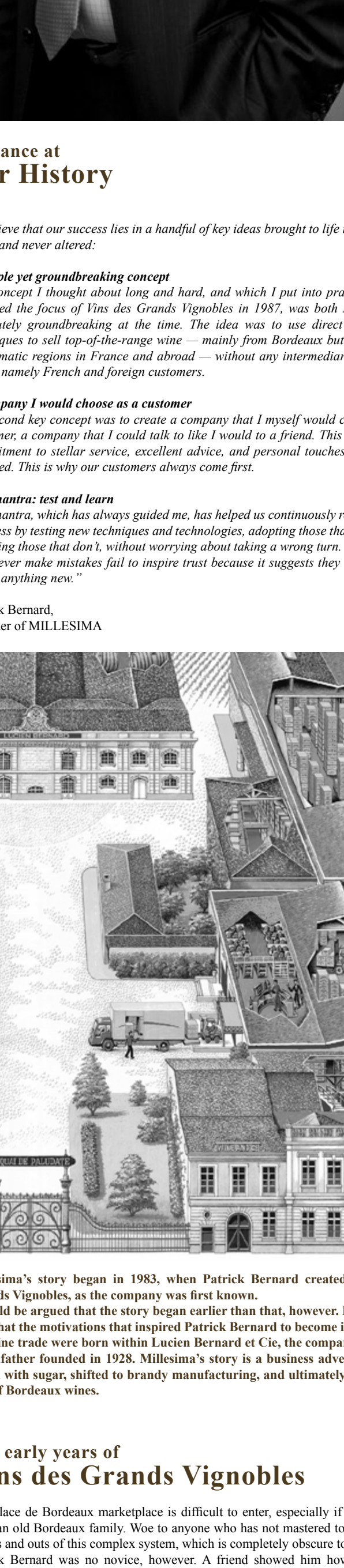




# WHAT MILLESIMA IS ALL ABOUT



## A glance at our History

*"I believe that our success lies in a handful of key ideas brought to life in the early years and never altered:*

**A simple yet groundbreaking concept**  
*The concept I thought about long and hard, and which I put into practice when I shifted the focus of Vins des Grands Vignobles in 1987, was both simple and absolutely groundbreaking at the time. The idea was to use direct marketing techniques to sell top-of-the-range wine — mainly from Bordeaux but also other emblematic regions in France and abroad — without any intermediaries to end-users, mainly French and foreign customers.*

**A company I would choose as a customer**  
*My second key concept was to create a company that I myself would choose as a customer, a company that I could talk to like I would to a friend. This is why our commitment to stellar service, excellent advice, and personal touches has never wavered. This is why our customers always come first.*

**Our mantra: test and learn**  
*This mantra, which has always guided me, has helped us continuously redefine our business by testing new techniques and technologies, adopting those that work and dropping those that don't, without worrying about taking a wrong turn. Businesses that never make mistakes fail to inspire trust because it suggests they have never tested anything new."*

Patrick Bernard,  
Founder of MILLESIMA

Millesima's story, as in 1983, when Patrick Bernard created Vins des Grands Vignobles, as the company was first known. It could be argued that the story began earlier than that, however. It could be said that the motivations that inspired Patrick Bernard to become involved in the wine trade were born within Lucien Bernard et Cie, the company that his grandfather founded in 1928. Millesima's story is a business adventure that began with sugar, shifted to brandy manufacturing, and ultimately led to the sale of Bordeaux wines.

## The early years of Vins des Grands Vignobles

The Place de Bordeaux marketplace is difficult to enter, especially if you're not from an old Bordeaux family. Woe to anyone who has not mastered to perfection the ins and outs of this complex system, which is completely obscure to novices. Patrick Bernard was no novice, however. A friend showed him how Place de Bordeaux was organised and structured. Not just any friend, either, but one of the most prominent brokers working with Bordeaux's most prestigious growers. A few key concepts are essential to understanding Bordeaux wines, such as the fact that Bordeaux châteaux, unlike Bourgogne or Champagne producers, do not use the typical distribution channels. Instead, they go through local merchants who in turn offer their wines to other French and foreign merchants, but also to various entities involved in distribution, such as wine stores, restaurants, and large retailers. Transactions between the châteaux and merchants are handled by brokers, who are involved in setting prices, amongst other things.

When setting up Vins des Grands Vignobles, Patrick Bernard relied on the broker system to ensure a minimum level of supply. He needed to obtain allowances: a number of cases that châteaux reserve for merchants they work with. The practice may be especially the mind of a newcomer to Place de Bordeaux. This would have been bogging for Patrick Bernard, who focused on top-of-the-range wine. Moreover, allowances of Bordeaux grands crus are considered a moral right to a given percentage of the harvest and are therefore rolled over from one vintage to the next. If a merchant refuses all or part of an initial offer, they may lose their allowances for years to come...

Fortunately, Patrick Bernard managed to obtain a few «friendly» allowances for the 1982 vintage from several châteaux, including Duchu-Baucaillou, Montrose, Lynch-Bages, and Grand Puy Lacoste. Three considerable allowances included 500 cases of Château Talbot, Château Gruaud-Larose and Château Meyne, as well as 300 cases of Château La Lagune. He also benefited from the fact that several châteaux returned to Place de Bordeaux after a few years of absence (including Château d'Issan and Château Haut Bailly) and were therefore able to grant allowances freely. Lastly, from the following year, the fall of a few prominent wine merchants played in his favour. The merchants in question no longer had the means to buy as much as their substantial allowances permitted.

In 1985, Patrick Bernard took a risk and bet all his money on the 1984 vintage. It was a dangerous gamble — the vintage was particularly mediocre due to harsh weather. Patrick Bernard was fully aware of the fact, but it made no difference. What he intended, and managed, to do was reset the chain he had bought as quickly as possible to make his money back, but above all obtain «secured» allowances for the 1985 and 1986 vintages, hoping that they would be a higher quality. They were. Phew!

The first key gamble paid off, and it opened up promising prospects for growth. Nevertheless, business was tricky, if not downright treacherous. Putting all your eggs in one basket and relying on the so-called en primeur wines was risky. After all, vintages come and go and it's impossible to predict whether they'll be decent or not. Not to mention stock is expensive.

It was then that Patrick Bernard made two decisions that ultimately shaped his company's future. First, he sought the Management Board's approval for the holding company Financière Bernard to become part of his company's capital and offered a subscription to a capital increase. The subscription was accepted: Vins des Grands Vignobles became a 90% subsidiary of Financière Bernard, a holding company created in 1983 with two subsidiaries already in place: Lucien Bernard et Cie and Domaine de Chevalier. Thanks to the increase in capital, Patrick Bernard was able to resign as Managing Director of Lucien Bernard et Cie and focus exclusively on developing his own company.

Convinced that distribution channels were bound to become shorter, he decided to take his reasoning to its logical conclusion and only sell both en primeur wines and wines ready for delivery to end-customers.

## Mail-order sales to individuals

Until then, Vins des Grands Vignobles had been involved in relatively conventional trading. The company's varied clientele was made up of individuals, restaurant owners, wine shops and export merchants. All the while continuing to trade with restaurant owners and foreign importers, Patrick Bernard pondered the most effective way to win over individual customers. Becoming a wine merchant or manager of a wine retail store did not appeal to him. Selling wine through mail orders all the while resorting to direct marketing techniques, however — that seemed both more exciting and much wiser. 'Mail order sales are undoubtedly the best way to sell wine to individuals', he explained, 'because it is the customer who chooses the moment when they want to take an interest in your product, whether at home, in the evening, at the weekend, from their summer house, or otherwise.'

Although some Bordeaux wine merchants were already selling through mail orders, they often relied solely on lists of prospects provided by the estates they had contacted. They tended to do a limited amount of advertising and did not work with agencies to make their message appealing to customers. By putting marketing and product development at the heart of his business, Patrick Bernard believed he was giving Vins des Grands Vignobles a prosperous future.

One day, his uncle Jean Bernard brought him a bulky publication that would supposedly spark his interest... In between the two kilograms of paper making up the Yearbook of Power (a directory of representatives of public authorities, institutions, and large organisations, as well as heads of leading French companies), there was a gold nugget: the personal contact details for the three main managers of the 1,500 largest French companies. In short, close to 4,500 residential addresses. Or in other words: a glorious, qualified database. It was an opportunity he could never have imagined, and Patrick Bernard immediately saw its potential. In June 1987, he sent an en primeur offer for the 1986 vintage to more than 4,500 people. The rate of return was 10%! That's when he decided to continue entirely down this path.

Another way that Patrick Bernard set himself apart from the competition was by offering his customers a bonded title consultancy service. He wrote in his catalogue: «Patrick Bernard will be delighted to share his knowledge about wine and guide you in your choices.» The message was followed by a phone number, which customers were quick to dial. At the start, Patrick Bernard answered calls himself,



offering advice and information and doing his best to understand each customer's tastes and wishes. Later, as sales increased, he received help from the Head of Marketing, who joined him in wine tastings before sales were finalised. After all, to be able to sell and promote a product effectively, it is essential to know it inside out. As the en primeur sales of the 1989 vintage were a roaring success, Patrick Bernard asked the Head of Sales Office Sales to join them in taking calls. She did it so well that she is now the Back Manager for French-speaking regions.

Patrick Bernard's decision to do away with intermediaries and sell directly to customers by focusing on analysis marketing and brand development marked a turning point in the company's history. That was when Millesima truly began to take shape.

The company's business model was based on a few over-arching concepts: telephone advice, buying only from estates to guarantee high quality, sales divided equally between en primeur wines and wines ready for delivery, and, last but not least, a single warehouse and wine cellar on quai de Paladate, where the bottles aged.

## New name: Millesima

In 1993, Vins des Grands Vignobles celebrated its 10-year anniversary. To mark the occasion, Patrick Bernard wanted to gift his customers an exceptional offer that included the ten most prestigious vintages from the 28 châteaux in Bordeaux (Médoc, Pessac Léognan, Pomerol, Saint-Émilion) from 1980 to 1990 inclusive, or the 300 most fabulous bottles of Bordeaux of the 20th century, and that of Ireland with a beautiful catalogue in which each château was illustrated with an original print signed by the artist. The catalogue was called 'Millesima'.

The name struck a chord with Patrick Bernard, who had been considering renaming the company for some time. The name Millesima was appropriate in more ways than one. It refers to the French word «millesime» meaning «vintage», which is an immediate indication that the company is part of the wine industry. The name is also understandable in many languages and easy to remember. It was the name he had been waiting for to replace Vins des Grands Vignobles.



## Greater focus on international customers

In 1993, when Vins des Grands Vignobles celebrated its 10-year anniversary and became Millesima, Patrick Bernard was selling Bordeaux wines to not only French individual customers, but also German ones. To understand how the company expanded and began targeting international customers, we need to go back in time to the late 1980s, when strikes were ravaging the banking and postal sectors. At the time, Patrick Bernard noticed that the mail he sent arrived late time and again due to the strikes. The delays were highly damaging given that his company relied on one-off promotions valid for a limited period, as is normal for direct marketing. Unwilling to simply let bygones be bygones, Patrick Bernard sued the French postal service and demanded compensation for damages caused by the delays. He won the case.

At the same time, he wondered how to best attract an international clientele so that the French political and economic situation would not weigh too heavily on his borders... and where do you start? In this respect, Germany seemed like the easiest country to «break into». First, Germans had a long tradition of enjoying Bordeaux wines. Second, paperwork would be kept to a minimum because the Franco-German Chamber of Commerce could act as the company's tax representative, which meant that creating a subsidiary wouldn't be necessary.

Patrick Bernard had doubts about setting up an office in Germany, however. What held him back was the fact that the person he would hire would not be in Ambs to take part in wine tastings. Yet no sip, no tip, so to speak — how can you advise a customer if you don't know what you're talking about? Wine tasting was too integral a process for the company to be brushed under the carpet. The only option was to open up to Germany without leaving Bordeaux. As a result, Patrick Bernard asked a German friend living in France to join Millesima and help the company expand into the German market. How else to get further than France without leaving Bordeaux? The young woman's role was to adapt Millesima's communication to German rules and realities, to create a full range of messages in German with arguments tailored to the country's culture, and to answer calls from German customers who needed advice. In short, her role was to be both bilingual and bicultural.

Patrick Bernard's goal was for Millesima to stand out from German wine cellars selling Bordeaux wines thanks to exceptional customer service, its cultural approach to wine, and its location in Bordeaux. As we like to say: who better to talk to you about Bordeaux than a Bordeaux native? ».



## Product diversification

In 1993, after opening up the company to the German market, Patrick Bernard decided to broaden his catalogue and not limit himself to Bordeaux wines. Alarmed by the frost that, in 1991, had annihilated a large part of the Bordeaux harvest, Patrick Bernard wanted to no longer be at the mercy of the unpredictable weather that threatened the terror. There was a difficult barrier to overcome: the weather that threatened the terror. There was a difficult barrier to overcome: the weather that threatened the terror. There was a difficult barrier to overcome: the weather that threatened the terror.

As for Germany, the country provided Vins des Grands Vignobles with a solid customer base in no time. Bowing to popular demand, Patrick Bernard decided to repeat the venture. He believed he could demand the success as long as he had around a hundred customers in the targeted country. This was the case in Belgium. In 1995, he asked his wife Héléne, who had joined the company three years earlier to manage French sales, to also be responsible for exporting to Belgium. In 1996, expansions multiplied one after another: Portugal, Switzerland, Spain, Italy. Three new employees — from Italy, Spain and Portugal — joined Millesima. Austria's turn came in 1997, the United Kingdom's in 1998, and that of Ireland and Luxembourg in 2000. The United States, Hong Kong and Singapore followed in 2006, 2010 and 2015, respectively.



## Pioneer of online wine sales

Customer and product diversification went hand in hand with new tools to be used within the company, which Patrick Bernard viewed as an effective way to boost his business strategy focused on distance sales.

The company started using fax in 1987, and from 1988 offers of wines available for delivery and sold en primeur could be consulted by dialling 3615 VGV on the Minitel, a French computer network open to anyone with a telephone. Nine years later, in January 1997, Vins des Grands Vignobles launched its first website. Once again, the small company was a forerunner. 'We are the duploquous of the Internet, the first to have sold wine online', Patrick Bernard would say later.



It can't be denied that, in this regard, the small company showed considerable foresight. The Internet was taking its first baby steps. Only 270,000 households in France were connected to it. Google did not exist. Netscape (one of the first online browsers), Amazon (still only an online library) and Yahoo! (a sort of online directory at the time), were all only three years old. The first Internet subscription offer for companies and individuals was also only three years old. It had been launched by an operator called WorldNet, with the monthly price of an Internet connection set at 240 francs — the equivalent of around half a euro. That year, Millesima's Head of Marketing convinced Patrick Bernard, who knew nothing of the online world at that point, to launch the company's first website. Patrick didn't need much convincing: Internet was a worldwide Minitel! Why go without? This first website was an important step because it bore witness to Millesima's (and its founder's) appetite for innovation and experimentation, for technological and corporate novelty. Internet was still in its infancy, but Patrick Bernard and his team realised that it was an opportunity-filled area to be explored and conquered. The future was being played out right there and then, in 1997.

At the time, the company was still called Vins des Grands Vignobles, so the first website address was www.vgv.fr. It was changed to www.millesima.com in June 1998. As Millesima sold high-quality products, its website had to be just as luxurious as its hardcopy messages and promote the company's identity as a merchant of Bordeaux fine wines all the while clearly showing its presence on international markets. As such, the website offered a choice of three languages: French, German and English. Internet users could view special offers for en primeur wines and wines available for delivery. They could place orders, write a message asking for advice, and perform searches based on various criteria: packaging, château, appellation, class, price.

Around a hundred people visited the website daily, bringing the company 380 prospects and 40 customers in the first six months. The online adventure had kicked off and was nowhere near slowing down.



## The family adventure continues

In late 2007, Fabrice Bernard joined Millesima. It was a relief for Patrick, his father. The company, growing at break-neck speed, was becoming difficult to manage. The prospect of sharing strategic decisions with his son meant a lot to him.

Fabrice Bernard knew the ins and outs of marketing, was a wine enthusiast, and had known Millesima since he was a child. He was the perfect candidate to take the marketing reins at his father's company. 'My father gave me a real gift,' he said. 'After two years of me proving myself, he made me Head of Marketing. For me, it was a valuable lesson: to give sectors needing investment to others, even if it's something that you love doing.'

As the company moved all its communication tasks in-house by creating a dedicated department (printing, web, social media) in order to speed up the message creation and validation process, Fabrice convinced his father to significantly strengthen Millesima's digital strategy.

As a result, in 2009 Millesima launched a blog, a Facebook page, and a YouTube channel, which were managed by new recruits who were delighted to give an «fine wine start-up». On social media, Millesima positioned itself as a content creator, publishing texts and offering analyses and offering analyses to give to make a name for itself as an expert in the field. Ultimately, the idea was to give Internet users as much information as possible so that they could better appreciate the wines sold by the company.

Patrick Bernard could not deny that his son's intuition had been spot-on: social media became an effective way for Millesima to stand out. In just a few years, the company gained more than 120,000 followers on Facebook. As for YouTube, the channel helped show how closely Millesima works with its suppliers. In eight years, close to 800 videos were made and viewed more than 4,500,000 times!

In 2016, Patrick Bernard resigned as the company's Managing Director, putting his son in charge. 'I was lucky to have 33 years to create and shape Millesima as I had dreamed. I hope that Fabrice has as much time to develop Millesima further by encouraging the necessary changes dictated by his way of seeing things to ensure that Millesima remains a leading pioneer of direct sales of fine wines to passionate and fortunate wine enthusiasts worldwide.'

Patrick Bernard

