



# Mount Michael Vineyard: Choosing a High Quality Closure

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**Abstract.** Mount Michael was a small, relatively new vineyard in New Zealand. The case describes the owner's efforts to ensure that the wines produced from their grapes were the highest quality possible and then focuses on the owner's growing concern about cork taint. In particular, the vineyard's owners were considering switching from natural cork to one of several alternative closures as a way to reduce or eliminate cork taint. The dilemma was that consumers tended to associate these alternative closures with lower quality wines. Complicating the owner's decision was the fact that they were set to expand and begin exporting. This case was designed for a quality management class. It was developed to illustrate how a small business implements a strategy based on high quality across its entire value chain, to provide a basis for discussing alternative dimensions of quality, and to illustrate the use of the cost of quality concept.

**Keywords:** quality management, supply chain management, cost of quality, entrepreneurship, and wine production.

## 1. Introduction<sup>2</sup>

**★★★★ Excellent Quality** Fragrant and mouth filling, with raspberry and spice flavours of satisfying depth, balanced oak and tannin, it shows complexity and potential. (Assessment of the Mount Michael 2000 Pinot Noir – *Michael Cooper's 2002 Buyers Guide to New Zealand Wines.*)

**★★★★ Excellent Quality** Weighty Central Otago wine with strong citrus and tropical fruit flavours and (in the opinion of all three judges) very skilful wood handling. Fragrant, ripe, crisp and concentrated. (Assessment of the Mount Michael 2001 Chardonnay – *WineState Magazine.*)

Sue Anderson tasted a glass of one of her highly acclaimed Mount Michael wines. It was . . . awful, with tastes of musty, mouldy old basements, dirty

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1. This case was prepared while Dr. Lawrence was a visiting lecturer at the University of Otago and Karen Henderson was a graduate student at the University of Otago.
  2. This case was prepared as a basis for class discussion rather than to illustrate either effective or ineffective handling of a managerial situation. The authors thank Sue Anderson for her cooperation and assistance with this project.