

# DEVOTED sisters

Alexandra Pereyre de Nonancourt tells Giles Fallowfield about how she and her sister Stephanie were handed the reins of the Laurent-Perrier business when their father Bernard passed away in 2010



Sister act: Alexandre (left) and Stephanie Pereyre de Nonancourt

**I FIRST** met Alexandra Pereyre de Nonancourt, along with her sister Stéphanie, back in 1996 in the charming, if slightly intimidating, setting of Château Louvois, the estate bought for Laurent-Perrier by their father Bernard de Nonancourt in 1989. This was for an article about the families in Champagne that were still actively involved in running Champagne businesses they own or that bear their name.

Even back in the mid-nineties this was a slightly romantic notion as the number of such people meaningfully involved in a decision-making role at a major house had dwindled to a handful. And since then, both Bollinger and Pol Roger have put “businessmen” from outside the family in charge, though both houses remain “family-owned”.

## They were only too aware of their father’s strong desire for them to take over the helm

Being seen as a family company with family members actively involved, while at the same time recognising the need to employ the best financial strategists to ensure there is a business left to run, has been a difficult balancing act for a number of houses, not just Laurent-Perrier. Though as the largest family-owned group left in Champagne, with 10 million bottles-plus to sell each year, the sheer size of the company makes the problem that much trickier.

It was in the spring of that same year, 1996, that patriarch Bernard de Nonancourt, the man who built modern day Laurent-Perrier, took his first step

back from the business, engaging an outsider in the shape of one Jean-François Bauer as its president-directeur general. He chose to make the announcement to his 180 employees at a party to mark his 76th birthday at Laurent-Perrier HQ in Tours-Sur-Marne. Bauer’s “commercial expertise” was brought in to “underpin the financial stability of the company and secure its future as a family business for Nonancourt’s daughters Alexandra (36) and Stéphanie (32), both of whom are already actively involved”, the company statement explained.

Laurent-Perrier and de Nonancourt were facing up to the fact that the big groups in Champagne needed considerable financial acumen to survive, let alone flourish in the second half of the nineties. This was a period of considerable change in Champagne with Vranken buying Heidsieck-Monopole, Boizel-Chanoine acquiring Philipponnat and Abel Lepitre, Rémy-Cointreau selling Krug and De Venoge to LVMH, Seagram disposing of Mumm and Perrier-Jouët and Laurent-Perrier itself selling Joseph Perrier to the Alain Thiénot group, all in the space of just three years (1997-1999).

At the time Stéphanie de Nonancourt commented: “My father is not retiring, he will continue to be actively involved both in making the wines and in the relationship with the growers, but we needed someone else who can run the company until my sister Alexandra and I are ready to do it.”

Even though he semi-retired from the business in 2005, amusingly telling friends he was “maderising”, it wasn’t until Bernard de Nonancourt’s death on 29 October 2010 that the accession finally had to be addressed. Were the two sisters now ready to take over and really get involved in running the business?

Talking to Alexandra Pereyre de Nonancourt it is clear that this was a very

### A history of the Laurent-Perrier Group since Alexandra joined

- ▶ 1987: Bernard’s eldest daughter Alexandra joins the company
- ▶ 1988: Laurent-Perrier takes control of the Salon champagne house
- ▶ 1992: Establishment of a distribution subsidiary in Switzerland
- ▶ 1995: Bernard’s daughter Stephanie joins the company
- ▶ 1998: Laurent-Perrier sponsors its first garden at Chelsea Flower Show
- ▶ 1999: Laurent-Perrier’s sale of its 51% stake in Joseph Perrier to Alain Thienot helps finance the buying back of UDV’s 22.4% share in Champagne Laurent-Perrier and 1% share in parent company Veuve Laurent-Perrier, which took place at the end of July. The distribution contracts between Champagne Laurent-Perrier and UDV subsidiaries in various countries were also terminated at the end of 1998.
- ▶ 1999: Laurent-Perrier is listed for the first time on the French Stock Exchange
- ▶ 1998-99 Laurent-Perrier sells off its interests outside Champagne in Burgundy, négociant Antonin Rodet and Domaines Jacques Prieur, and Malartic-Lagraviere in Bordeaux
- ▶ 2004: Laurent-Perrier buys Château Malakoff including the brands Jeanmaire, Beaumet and Oudinot, 50 hectares of vineyard plus supply contracts for a further 285 hectares of vineyard.
- ▶ 2004: Michel Fauconnet becomes Laurent-Perrier’s third cellar-master
- ▶ 2005: Bernard de Nonancourt officially retires and becomes honorary chairman of the supervisory board.
- ▶ 2010: Bernard de Nonancourt dies aged 90
- ▶ 2012: Laurent-Perrier celebrates its bi-centenary opening a new cuvée for Grand Siècle and launching Grand Siècle Les Réserves.



### Facts and figures: Groupe Laurent-Perrier

- ▶ Fourth largest group in terms of bottles shipped and in terms of turnover.
- ▶ Turnover 2008/9 to 2011/12: €181.3m; (year ending March 31, 2009), €171.8m year ending March 2010, €197.8m year ending March 2011; €218.8m, up 10.6% on 2010/11 with group net income up 46.3% from €14.8m to €21.7m (year ending 31 March 2012).
- ▶ CEO: Michel Boulaire
- ▶ Vineyard holdings % of grapes bought in: 150 hectares, 89% bought in.
- ▶ Bottle production (group): 13.2m bottles, Laurent-Perrier brand: 7.2m bottles (year ending March 31, 2012), De Castellane, Salon & Delamotte and the former Château Malakoff brands (Jeanmaire, Beaumet and Oudinot): around 7m bottles between them all.
- ▶ Exports (group): 74.6%, 71% for Laurent-Perrier brand in 2010/11.
- ▶ Key brands: Laurent-Perrier, Salon, Delamotte and Vicomte de Castellane, Jeanmaire, Beaumet and Oudinot (brands bought as a result of the purchase of Château Malakoff in February 2004).
- ▶ Main export markets: UK, Belgium, Switzerland, Japan and Italy.
- ▶ Address: Avenue de Champagne, 51150 Tours-sur-Marne, Phone: +33 (0)3 26 58 91 22, www.laurent-perrier.com

ourselves to the changing market.”

As the joint head with her sister of a family business, what did she see as her most important role? Was it in maintaining good relations with the more than 750 growers who supply Laurent-Perrier with most of their grapes, influencing commercial decisions, acting as a company figurehead or perhaps receiving and entertaining guests and friends of the house?

“As the warrant holders of the integrity of the group, our role is to check that all the very important values our father gave to the company are upheld and to maintain the level of quality,” she

**We want to move with the times and project ourselves forward with the same conquering spirit as our father**

difficult time for her and sister Stéphanie. The fact that their commitment to the business was being questioned and there were understandably rumours circulating that the company was up for sale didn't make things any easier, but it seems that was never really an option for the two sisters. They were only too aware of their father's strong desire for them to take over at the helm working together to guide the business into the future.

Planning this year's bi-centenary celebrations for the company helped them find a focus. “We looked at our roots and our history and doing that made it easier for us and our team to look forward in a positive, considered way. It's been a better time than two years ago when our father died,” Alexandra says.

She continues: “By looking back we

have rediscovered the company philosophy in making wine, wine first before Champagne. We make a very specific style of Champagne: fresh, precise and elegant. I think that's what people appreciate about Laurent-Perrier.”

Addressing the issue of their commitment directly she says: “We don't intend to work on an ad hoc basis, nor to rest on his [Bernard's] laurels. We want to move with the times and project ourselves forward with the same conquering spirit as our father. We are two women and we feel we understand what he wanted to achieve and we can communicate about the values he gave to the company. It is up to us now to write the next chapter of Laurent-Perrier's history, respecting the past and bringing our own creativity to bear, adapting

outlines. “Wine quality and image are the two most important things to consider and this is why we have invested heavily in the new cuvée for Grand Siècle.”

Interestingly, when asked, the two wines she picks out as being particularly representative of the brand's style are not pink-hued, neither the market-leading brut non-vintage rosé nor Cuvée Alexandra, especially created for her own wedding in 1987, but rather the Ultra Brut and Grande Siècle. As she says, both cuvées represented a new departure for

Champagne. The latter was created in 1959 when the idea of creating something from the “best of the best” – a philosophy her father applied to the whole business, but in this case referring to the idea of blending together three great vintages – was entirely novel. It also happened, she notes, in the early days of her father’s reign, at a time when the company was only selling 300,000 bottles a year.

As for the non-dosé Ultra Brut, “that has to come from one very special year with enough maturity and low acidity and was created to accompany modern cuisine”, another forward looking innovation.

So if innovation was part of her father’s success story what can we expect from the two sisters in future? “There are many things you have to understand first about



Alexandre Pereyre de Nonancourt

## In Europe there’s wide recognition of the authenticity of family brands, which is something we have to make the most of

the company and how it operates. In the current [difficult] economic climate it’s perhaps not the right time for a completely new departure. Yes innovation is important, but it is also important to link it with your roots, not innovation for innovation’s sake. Take something from the past, enhance tradition and make it more contemporary. That is exactly what we have tried to do with the launch of Grande Siècle Les Réserves.”

She confides that the magnums and Jeroboams for this cuvée, expected to presage a range of oenothèque Grand Siècle releases in future, was actually set aside as something with which to

celebrate the Millennium. “But my father decided it wasn’t ready to be released at that time when he and chef de cave Michel Fauconnet, looked at it and it was left in the cellar.” When the subject of celebrating the bi-centenary came up, Fauconnet told the Nonancourt sisters about the unused magnums and Jeroboams of Grand Siècle lying untouched in the cave.

You get the sense that

Alexandra is feeling her way into the new role she has taken on, gathering information to inform future decisions.

To this end she has been visiting different markets to get a feeling for how the brand is perceived. “Every 10 years we have a new crisis in Champagne but you have to fight in those difficult situations and the people who are bold, bounce back. You have to go into the market and visit customers to see what is really happening.”

So is Laurent-Perrier planning a major assault on emerging markets outside Europe? They have certainly strengthened the management team run by Michel

### Stock market data as at 31 March 2012

- ▶ Nominal share price: €3.80
- ▶ Number of shares: 5,945,861
- ▶ Share price at March 31, 2012: €80.50
- ▶ Market capitalisation: €478.6 million
- ▶ ISIN: FR 000 686 4484
- ▶ Dividend: €1

### Breakdown of capital structure

- ▶ Family: 56.99%
- ▶ Treasury shares: 0.82%
- ▶ Employees: 0.37%
- ▶ Registered Institutional Investor shares: 9.78%
- ▶ Other: 32.04%

Boulaire to this end by recently adding Jordi Vinyals, previously marketing and sales director for the Torrès Group since 2007, who has particular experience of the potentially important developing BRIC markets (Brazil, Russia, India and China).

In fact, Alexandra doesn’t see Europe’s importance to the company declining:

“In Europe there’s wide recognition of the authenticity of family brands; the dynamic is different in a family group which is something we have to make the most of.

“Cognac left Europe too early and then it is very difficult to go back and maintain credibility. New markets are developing but it is a long, gradual process and not going to happen overnight. We have to take a long term view.”

Shareholders will take comfort from the fact the Nonancourt sisters are taking up the challenge their father has set them. Perhaps this is one family business in Champagne that does have a future for another generation. db