Overview of The OpenVino Project v1.0

This section describes OpenVino 1.0 "*Malbec*", which encompasses the OpenVino project as applied to Costaflores.

OpenVino 2.0 "*Petit Verdot*", currently under development, will allow other wineries in the world to adopt the OpenVino toolset for Transparency, Tokenization, and Traceability. If you operate a winery, and are interested in adoption OpenVino, contact us: info@costaflores.com

Objectives

Organic Costaflores S.A. is a boutique wine producer in Perdriel, Luján de Cuyo, Mendoza, Argentina, where organic grapes are grown for Costaflores red wine (blend) called **MTB* – Mike Tango Bravo**.

The goal of the **The OpenVino Project** is to create the world's first **open-source**, **transparent** winery, and **wine-backed cryptocurrency** by exposing Costaflores' technical and business practices to the world.

The primary objectives of this project are to answer the following four questions:

- **What is the truth, importance and meaning of "organic / eco / bio" in wine and agriculture in general?**
- **What would happen if we were to share ALL the accounting and operational details of our business with the world?**
- **When the cost of a bottle of wine can vary by orders of magnitude ($1, $10, $100, $1000), how can we assess a wine's REAL VALUE?**
- **How can we objectively evaluate the QUALITY of a wine, based on a consumer's experience, and the wine's effect on their consciousness?**

Secondary objectives of The OpenVino Project include:

- **Develop a new business model** that other companies can reference, adopt and adapt; an altruistic experiment to create a new ethical and sustainable business model.
- Build a "self-running" company using many of the concepts related to **Distributed Automated Organizations.**
- **Share knowledge** – by exposing Costaflores viticulture and business practices to the world, we want to both share our experiences with other viticulturists and winemakers, and thus become a known reference site in the world, and **learn** from others who observe our practices and offer suggestions and constructive criticism.
- **Spawn a new cryptoasset** – create the world's first **"wine-backed" currency** and trading platform.
- **Reduce costs** by monetizing the promotion platform, fomenting competition amongst Costaflores providers, and utilizing Costaflores own cryptocurrency to buy and sell services and products.
- **Redefine the way wine is valued**. Wine is both a commodity and an art form. A consumable foodstuff, and the elixir of muses. With this project we redefine the way this commodity/art form is valued, by giving the *valuation tools* to the marketplace, to the consumer.
- Incorporate the ultimate **traceability tools** (**Vine Wine Dine Mind**) that allow us to follow our product from vineyard to mouth - and beyond.
- Integrate **open-source technologies** and cloud services development techniques. The project's development will be documented as a case-study for future cloud services developments.

Transparency

Transparency is a key value for building sustainable, ethical, profitable businesses, and is an important **tool for small companies**.

Despite being under greater public scrutiny, large enterprises can often benefit by keeping secrets: proprietary trade information, opaque competitive practices, and "insider" market information. For example, large wineries can negotiate advantageous purchasing deals for packaging materials and logistics, whereas smaller brands are relegated to higher prices or inferior services and products. Higher up the food chain, beverage conglomerates can manage and manipulate the marketplace by obliging merchants to purchase smaller or newer associate brands in exchange for access to "must-have" brands. So for medium and large corporations, "keeping their cards close to the chest" can be advantageous and instrumental.

But small companies lack this kind of leverage, having nothing to hide, or more to the point, nothing worth hiding. However, small companies can benefit from transparency. Costaflores is too small of a company to have the leverage to negotiate advantageous purchasing deals, but by publishing openly it's packaging materials and logistics requirements and purchases, Costaflores openly invites providers to compete for it's business. By participating in these transparent transactions, these providers receive Costaflores business, albeit small, but they can benefit from positive publicity and branding associated with the ethical and sustainable business practices of this project.

Promote Ethical Business Practices

Consumers value honesty, integrity, and "fair-trade" practices in a marketplace muddied with confusing nomenclatures and certifications.

Today there is much confusion amongst wine consumers regarding the meaning of *Organic / Eco / Natural / Fair Trade /*

Biodynamic labels. With The OpenVino Project, Costaflores strives to become a touchstone or reference point to help consumers and industry reporters undo this confusion. In the words of Mary June Butters, organic farmer:

> "I think we need to take back our language. I want to call my organic carrots 'carrots' and let (other farmers) call theirs *che mical carrots*. And they can list all of the ingredients they used instead of me having to be certified. The burden is on us to prove something. Let them prove that they have used only 30 chemicals instead of 50 to produce an apple"

With The OpenVino Project, we define, implement, automate, and monitor our **ethical business practices**, with hopes of positively answering the following questions:

- Are Costaflores employees compensated fairly for their efforts, and do they become owners of the growing success story?
- Do our sales and marketing claims reflect truth and authenticity?
- Do Costaflores production and logistics processes minimize our impact on the environment?
- Does The OpenVino Project contribute ideas and intellectual property that are beneficial to society?
- Does this project promote Costaflores fulfillment of legal and fiscal obligations, both in the spirit and letter of existing laws?

Sustainability

Within The OpenVino Project, we expose the underlying costs, both financial and ecological, in the production, sales, and distribution of wine, and implement self-correcting formulae for evolving a sustainable (and autonomous) company.

This includes defining **how profits and participations are distributed**, both to Organic Costaflores S.A. employees and to shareholders, with the aim of plotting predictable growth and incentives, both for employees, and committed stakeholders.

Consumer defined pricing

With The OpenVino Project we challenge the wine industry and the world to demystify wine pricing. How can it be that the price of 750ml of fermented grape juice can vary so much? A bottle of wine can cost $1, $10, $100, $1000, or $10,000: five orders of magnitude. What is the "real value" of a bottle of wine? How can quality be quantified? How can we create the worlds first wine-backed cryptocurrency or cryptoasset? And how can a trading platform for this new currency be used to generate "consumer defined pricing"?

Direct consumer feedback

Today, wine industry experts define and dictate quality evaluations of wines. This most often takes the form of points ratings by Robert Parker, Wine Spectator, James Suckling, and others expert critics, or by medallion awards at international wine contests. These evaluations, though valuable, are flawed to the extent that they only represent the qualitative values of a few people and their tastes at specific points in time (tastings) where specific conditions and predispositions of the quality judges may be circumspect. In other words, these experts opinions are valuable, but they remain anecdotal. The proof in the pudding lies in what actual wine drinkers think about the wines they are drinking.

But, documenting end-drinker opinions and circumstances require time and effort on behalf of the consumer. With The OpenVino Project we break ground by **compensating** customers for their feedback. In exchange for the information they provide about our product, we provide them with actual shares in the company, Organic Costaflores S.A. The concept is: **"You drink it, you own it."**.

Trevor Noah, from The Daily Show, best explains why crowdsourced online reviews are suspect.

By collecting these authentic consumer experiences, we create a feedback loop, allowing us to qualify and quantify experiences associated with wine, and justify consumer defined pricing. And by making consumers part-owners in the enterprise, we leverage the positive "owner's bias" as described by Dan Ariely near the end of this talk.

Educate and Learn

As the first **open-source winery**, Costaflores shares with the world, through didactic and accessible tools, how grapes are grown, and how wine is made, distributed and sold. We expose the business practices and technical procedures to an unprecedented degree. By teaching our "secret recipe" to the world, we invite constructive criticism from others with deeper experience and knowledge, and we invite innovative approaches.

Define new standards

We present The OpenVino Project as what we hope will become a touchstone, a new reference point, for building transparent, ethical, sustainable wine businesses. All software tools and components, wherever possible will be built upon existing open-source applications and will be downloadable. All documents, videos, and other didactic components will be made available under Creative Commons licensing.

Project Stakeholders

For this project, we distinguish different categories of stakeholders:

Visitors: Anyone who can visualize our information (read-only) vía web.

Drinkers: People who provide us with information to facilitate purchases, shipping, etc, accessing via web or app.

Staff: Anyone who can access the information (read-write), such as Costaflores staff, farmers, oenologists, logistics, administrators, other partners, etc.

Contributors: Anyone who is participating, in a read-write capacity on the project collaboration site, in the form of comments, but not necessarily accessing read-write site components.

Given the open nature of this project, there is no reason NOT to share this with as many friends and colleagues whom might be interested in contributing as partners. These include people from the wine industry, the IT world, finance, marketing, press, artists, and others.

We welcome partners in all capacities, from those who wish simply to observe and opine, to those who desire to actively develop pieces of the project and expect something in return.

SIX Silos of Information

The following sections describe the **SIX Tanks**, or silos, of information that we would like to expose to the world.

1) **Growing the Grapes** – all things about organic viticulture

2) **Making and Delivering the Wine** – from the crush and bottling, to storing, shipping and exporting.

3) **Managing the Business** – general accounting, inventory, financial, personnel, taxes

4) **Selling Wine-backed Cryptocurrency** – using the blockchain to build customer-defined pricing

5) **You Drink It, You Own it** – how customers respond to their drinking experience

6) **Telling our Story** – Getting the word out

Growing the Grapes

Viticulture step-by-step: How do we grow our grapes?

In this tank, we describe what happens every day in the vineyard, by implementing three tools:

1) **The runbook**: A visual, didactic description and tutorial of our viticulture practices. Here we are sharing with the world a detailed overview of our vineyard activities.

2) **The daily log**, based on a calendar of seasonal and annual tasks, the daily log allows anyone to look up what activities are performed on certain days of the year. These tasks will have icons associated, and color codes, according to seasonal and regular tasks. Logged items will correspond with specific vineyard coordinates: row, claro, plant.

3) A real-time **Dashboard** of data collection: temperature, solar radiation, irrigation, humidity, wind speed and direction, precipitation, and a video feed.

Collecting all this information will be useful for several reasons:

- More data for the agronomist to analyze.
- Data to share with investigators, useful for experimentation.
- Others could opine on our viticulture practices. For example, sharing this data with other agronomists, and providers, such as Luján Agrícola, in order for them to recommend different products to use. This is also a branding opportunity for commercial partners.
- This is the ULTIMATE tracking mechanism for Organic viticulture (and certification). We will insure that data collected for organic certification with OIA are linked to the data.
- The quality of the wine is ultimately determined by the quality of the grapes. By documenting our growing season in detail, we provide quality metrics with which interested consumers can evaluate our harvest.

Making and Delivering the Wine

How is the wine made, and how does it move from tank to bottle to marketplace to mouth?

In this tank, we track each step of the wine making and delivery process. Our main goal here is to illustrate the complexity and history that goes into making and delivering a bottle of wine, and document our own winemaking and logistical practices.

This again provides a "branding" opportunity to a certification partner, such as OIA, in exchange for certification charges.

How is the wine packaged?

Here we document the technicals details of our packaging; describe the "green package" similar to our current 3D animation. We include videos and descriptions of packaging manufacturing process, and involve our suppliers, such as: Veralia (bottles), Akian (wine labels), Manuel Serra (Cork), CMG (Boxes).

Where is the wine stored?

We provide realtime information about our wine storage and stocks from our warehouse at Winelock, and other locations in Buenos Aires, India, etc.

We include a graphical flow-chart of the logistics involved, export phase, with tracking documents for the shipments, as a tutorial for the wine shipping and handling phase, including INV tracking and requirements, chemical analysis, AFIP, forwarder stuff, etc. export invoices, pro forma invoices. Read another way, this is also a way to illustrate the difficulties small producers face with the massive amounts of regulations.

Managing the Business

How much does it cost to make and sell a bottle of wine? How much is earned or lost?

In this tank we implement an online open-source Enterprise Resource Planning (ERP) platform.

Essentially, we want to build an online platform where anyone can view:,

How much money are we earning from selling wine, winecoins, and other services?

How much money do we spend to produce our wine?

What is our inventory?

What is the current valuation of the company?

Wine-backed Cryptoassets

We are launching the world's first wine-backed cryptocurrency. The reasons for doing this are:

- Consumer driven pricing (provoking the 1.10.100.1000 debate)
- Creating a delicious metaphor for cryptocurrency
- Developing our own mechanism for distributing value amongst stakeholders (and shareholders)
- Incorporating the blockchain in the transparency model

Beginning on May 6, 2018, Costaflores began issuing "vintage tokens" based on the available number of bottles produced from the 2018 grape harvest. One vintage token is worth one bottle of wine.

These vintage tokens are traded on existing cryptocurrency exchanges and Costaflores customers (distributors, importers, drinkers) are be able to buy and sell the tokens, which can later be cashed out for bottles of wine through the decentralized exchange Viniswap: https://openvino.exchange

You Drink It, You Own It

With this project...

Telling Our Story

How we promote..

Roadmap