

It's Never Too Late To Leverage Up And Expand

Eunan Ryan will be one of the older competitors at the National Enterprise Awards at the Mansion House in Dublin in May. Ryan (56) is the founder of Cult Drinks, based in Donabate in north Dublin, which picked up €5,000 from Fingal Local Enterprise Office for winning the local area heat in the competition. The entrepreneur has been in the niche drinks sector for many years, and recently he has raised his game.

Eunan Ryan's family is associated with the Beggars Bush pub in D4 and, formerly, the 51 pub, a stagger away on Haddington Road. Ryan developed an alcopop called 'Fat Frog' in 2004, which is still going and was the platform for Ryan to establish Piranha Beverages Ltd in 2007, which trades as Cult Drinks and houses an eclectic assortment of niche alcohol products.

Ryan and his team look for a niche, devise the drink, outsource the manufacture, and then hook up with distributors or sell directly to multiples. For the younger shots crowd, there's Piranha Schnapps (15% abv), which is made in sour apple, kola, sour cherry and peach flavours. In the same shots ballpark is Krauter-Stein (22% abv), another Cult Drinks invention that is less potent and therefore cheaper than the similar Jägermeister.

Cult Drinks isn't all about cheap and cheerful. Its Heytesbury Rum is a premium product priced at €90 in the Celtic Whiskey Store. There's also the Jack Ryan 12 Year Old Single Malt, priced at €65 and with 'Beggars Bush' proudly stamped on the label.

A few years ago, Ryan says he got to thinking about where his business was going. He sought counsel from accountancy firm Crowe, and took part in their business value builder programme. "We went to Crowe initially for a conversation and worked with them for about a year, looking at putting a structure in place to build the business and expand into overseas markets," says Ryan.

"Over the last few years we have made a fairly substantial investment in

After taking part in Crowe's business builder programme, owner-manager Eunan Ryan decided to press the accelerator, writes **John Kinsella**



Eunan Ryan: enterprise award contender

personnel and software. We now have ten staff and we are well positioned to properly address export markets."

Ryan says the Crowe discussions focused his mind on an exit strategy. He decided that if he didn't change gear he'd be locking the office door whenever he retired and that would be it. "I realised that I have to build the business and build value within the business. I don't have that much of a pension, and that focused my mind."

Ryan also let go some control. Sarah-Jane Brangam (34), who has been working in Cult Drinks since 2009, became a director and shareholder in 2017. "As you get older you get set in your ways," Ryan muses. "Sarah-Jane is young and enthusiastic and between the two of us we realised that to bring the company to where we want to get to, we have to look at export. That's where the



growth is, and in recent years we have developed good relationships with distribution partners overseas."

To progress, Ryan and his partner have been prepared to take on debt. The company's July 2018 balance sheet shows bank debt of €409,000, up from €196,000 a year earlier. "I never went to the bank before because I thought it would be a waste of time. AIB are our main bank and they have been very supportive over the last two years," says Ryan.

In the year to July 2018, Piranha Beverages booked a pre-tax profit of €127,000. Improved trade is evidenced by trade debtors increasing from €277,000 to €630,000 in 2017/18, though Ryan may have to rein in credit terms going forward, as year end cash in the balance sheet was just €3,000.

The strategy for this year and into 2020 is to develop the Fat Frog brand in the US, Asia and Africa, and to roll out the whiskey and rum brands in Europe.