

THE NEXT STEP

HOW AMBITIOUS BUSINESSES CAN
ACHIEVE THEIR POTENTIAL



CONTRIBUTING AUTHENTICITY

Interview with Paul Bowler, Founder / Director
Winchester Distillery

COMMISSIONED BY



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ADVISORY AND FINANCIAL OUTSOURCING FOR SMEs AND GROWTH BUSINESSES

A report commissioned by SAS Specialist Accounting Solutions considers the biggest challenge for any independently-owned company which has the potential to go further.

The ability of the owners to scale the business.

In their own words, directors talk about the issues they are having to address and how they want to achieve their goals.

The interviews will be brought together as a report to be published by DECISION magazine and then as a digital book.



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WHEN HE WAS EMBARKING on his twenty-five-year career in software development, having first graduated in computer science, every day was exciting for Paul Bowler, exploring what a new app could achieve. But when he turned forty he realised that in a managerial role, while the pace of the IT sector was faster, he felt restrained and constrained by corporate structure and the committee approach to decision-making. “Ironic that companies which would describe themselves as leading edge didn’t seem to understand the dynamics of innovation,” he muses.

“I was getting more miserable about it, and one weekend at a local market, I realised I didn’t really know anyone in my home town because I spent all the week commuting and the weekend was recovery time.”

There’s nothing unusual in having a mid-life crisis, except that Bowler decided to do something practical about it rather than buy a motorbike. “I’d read about the renaissance in gin, and I saw a huge opportunity,” he recalls. “Back in 2014 there were very few distilleries in the country with the licenses required and I realised this was something I could get my technical teeth into.

“Of course I had no idea how to make gin but finding out was going to be really exciting and fun. It meant I would be able to create something locally but I was determined that I should add to what other products were already offering rather than producing a ‘me too’. I wanted to contribute something to the category.

“I gave myself twelve months to learn and to bring something to market and I had enough in reserve for my family to survive financially. At the end of that year I would either have got the mid-life crisis out of my system or I’d have a business.”



Paul Bowler

There are now 5000 different gins on sale in the UK, compared to 600 when Bowler started the Winchester Distillery. “There is a bandwagon, and we happen to be on it, but for us it’s all about the long game,” he says.

With the relevant licence, Bowler set up a five-litre still at home and experimented with different recipes, making up four or five a day. “Every evening my wife, who worked as a restaurant manager, would come home to be greeted with ‘gin and tonic darling?’” he recalls.

His approach from the outset was a continuation of the preferred modus operandi when he was working in IT. “My last role was to help companies to develop software more quickly and to get immediate feedback from real people so that the product could be fine tuned before it was launched,” he explains. “If you are able to adjust the product based on actual knowledge of people’s reaction to it, then you can scale it, rather than having to spend your time making adjustments after it’s

been launched, which in the case of software would often result in new releases seemingly appearing on a daily basis!

“It’s all too easy to set up food or drink business because there are so many companies who will help put the recipe together, source ingredients for you, and then do the manufacturing. But I wanted to do it the hard way, knowing the provenance of what I would be working with. So in terms of the botanicals in our gin for example, the watercress comes from the beds just outside our premises, the lavender from just around the corner, and spring water bubbles up on-site. It’s about authenticity.”

The first actual production batch was the consequence of recipe number eighty-four. He called it Twisted Nose, authentic not because it reflects the physical countenance of Bowler or anyone he, erm, knows, but the Romans referred to watercress, one of the nine botanicals which are included, as nasturtium - which translates as the name of the gin.



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*New corporate
identity*

Another example of Bowler’s obsession with authenticity can be found in the Old Tom Gin the distillery produces. Following the way it was made in London in the eighteenth century, he found that the only way to get as close to the original recipe as possible and still comply with HMRC regulations was to add small beer (in terms of amount) to the process. But instead of buying in some kegs, Winchester Distillery brewed their own just for that purpose.

Meanwhile, Bowler had enrolled on courses run by the Wine & Spirits Education Trust to train both his nose and taste. “I wanted to be able to dissect the flavours that came through, how they were balanced, rather than just experiencing them,” he explains. He now serves as a judge for international competitions.

“When I started the business I wanted something which would keep me busy three to four days a week so I could spend more time with the family and get out on the golf course,” he smiles. “But batch one - that

was a tough sell, and I can't tell you how many miles I covered on foot and by car or how many hundred licensed premises I visited. I don't think I'd have the energy to do it now."

Some pubs told him they already had a couple of gin optics, and even when he explained the local origins and that the market for gin in London was booming, he couldn't get traction. Others were interested, but when a landlord said 'this tastes amazing', their hands were usually tied (as in who they could buy from), and distributors weren't exactly enthused by the prospect of taking on a new product which initially would only sell a relatively few bottles at a time.

That's when Bowler realised he had to build a relationship with the end user first, and so he switched his attention to independent off-licences, who were prepared to give his gin shop-window space as well as facings.



Which created sufficient pockets of consumer demand so that previously disinterested distributors were prepared to give him an audience. “It was still a tough conversation with them, and I probably did all the hard work for the next distillers coming through,” he suggests.

Nowadays, an independent off-licence could have up to 100 different gins in stock, and Bowler realised that the quality of what he was putting into the bottle wasn’t in a position to attract the required attention of a potential purchaser looking at the sheer array on offer. A quirky label would have to be extraordinary indeed to stand out in such a crowd. “So the bottle itself has to look amazing if the product is going to have shelf appeal,” he explains. “This is a luxury product. Nobody actually needs it, so it has to tell a story. And for us, the customer needs to ‘get it’ from the bottle, so it has to create an unspoken want.”

Within a year of the launch, Bowler needed to re-think the business if he was to get a break from working every day of the week. “I had to find a way to properly scale,” he says, “because it couldn’t continue to be run along the lines of a hobby type of business from home just to provide money for the family.”

But Bowler wasn’t just thinking about growth in terms of plant and premises. He made the time to take an MBA to manage it. “It meant I could think more strategically, to know how to better identify a real trend so that when it becomes a phenomenon, we’d be ahead of the curve,” he explains.

He also saw that the business required more than his own resources to take it to the next level. While he was considering his options, he happened to meet a local billionaire at a local fete where Winchester Distillery had taken a stand. “He had a taste, and then bought a bottle



of each before setting off to walk back home across the fields,” Bowler recalls. “Then he stopped, turned, and came back. He handed me his card and said that he already owned 25% of a vineyard and that if I was looking for investment, he’d be happy to talk,” Bowers recalls. “Later he came to visit, I talked about my vision, and he said to go ahead with my crowdfunding idea. So today he is one of 750 mainly local shareholders, although his stake is 25%.”

Bowler’s first next step had been to take on premises, and then the original five-litre still was supplanted by one with a capacity of 150. It has a name - something of a tradition in distillery circles - but rather than the usual nod to Victoriana (such as Constance), Winchester Distillery chose Persephone, the goddess of the underworld. “I like the hint of the illicit,” smiles Bowler. He’ll have to come up with another - the latest addition is one with a 500-litre capacity.

“It’s been on my mind,” he says, “that owner-dependency will increasingly hold a business back, because you have to become less integral to the day-to-day if you are to continue to take it forward. But you have to

strike a balance with what the business can afford. And a management appointment for a small firm is a big deal. Not only is it difficult to find the right person, you then have to invest a huge amount of trust and time in them, and then of course they can just leave! I'm conscious that at the end of the day, no matter how passionate they are about their work, for employees it's a job, and as an owner-manager you have to manage your own expectations of them.

"If I could turn the clock back, would I still do it the hard way? The answer is yes, but I would have more faith in myself to scale the business quicker. I never think I'm completely right about something, which means that despite my enthusiasm I have always looked at the what if's. A business is less likely to crash and burn if you are conscious of both the positives and negatives."

The future? "In five years time I want Winchester Distillery to have an international reach and reputation," says Bowler. "To achieve that we need to look not just at what we should be doing, but what we shouldn't. The reason for the latter is that you have to know the specific reasons why your customers love your product so you don't compromise them.

"I've got two sons who are pushing the boundaries and I liken the business at the point it's at to a belligerent teenager. There are real opportunities to create new spirits - we've been asked if we could make a no-alcohol gin for example. We've already moved beyond gin to lay down our first barrels of rum, brandy (using the grape residue from a local vineyard which otherwise would have gone to waste), and whiskey (sourcing the malt and barley locally). My ambition? I'd like to make a name for English whiskey."

www.winchesterdistillery.co.uk



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Report researched and published for Specialist Accounting Solutions Ltd
by **DECISION magazine**
www.decisionmagazine.co.uk



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