



Lough Ree Distillery (Phase 2 – Visitor Centre and Facility Expansion)

 Ballinasloe, County Galway

The development of the micro-distillery began in August 2018, named Phase 1 by the Lough Ree Distillery (LRD). The project has currently moved into Phase 2, which involves the construction of a full-scale commercial whiskey distillery and visitor experience on the main site in Lanesborough. The aim is to increase production of LRD whiskey, gin and vodka after seeing initial success since 2018 launch in Phase 1. With sales and exports growing, a new site is required to enable greater production. The new site will also offer visitor experiences and bespoke services.

The construction of a production unit and related infrastructure, along with a visitor centre will be complete by the end of 2023, with an additional “Ambassador Suite” planned for 2025.



The project is aiming to create 20 jobs during construction, and 25 jobs within 5 years of operating. The LRD secured €1,000,000 from the Just Transition Fund to support Phase 2.



Interview Questions and Responses

How did you as a business agree the key objectives that you wanted your project to deliver?

The Lough Ree Distillery, as a private business, established a business plan and set a level of product as a key objective they wanted the Lough Ree Distillery to deliver.

How did you decide upon a single project idea that could deliver against those objectives?

By setting out a business plan, the Lough Ree Distillery then planned an initial micro distillery to establish initial operations in Lanesbrough and to meet an amount of product to cover initial capital costs. The development of the larger distillery and visitor centre, named “Phase 2” and funded by the Just Transition Fund was part of their original ambitious long-term plan, and the JTF appeared at an opportune time for the Lough Ree Distillery.

Describe the process by which you achieved consensus around objectives and projects. Has that consensus held or does it remain challenged by some in the business? If so, how are you dealing with that?

The Lough Ree Distillery was formed by members of the same family with the initial ambition of establishing a gin distillery in Lanesbrough, before diversifying into vodka and whiskey. The consensus for establishing a global brand but with local roots in Lanesbrough has not changed.

How did you approach planning and project management around your selected idea?

Planning and managing the initial distillery launch and the subsequent Phase 2 of the project using just transition funding involved the management team of three senior individuals in the same family specialising in particular areas and hiring individuals when appropriate, with the current LRD having a team of 7 individuals. The key areas are:

- Branding and brand development
- Finance and funding
- Supply chain development



Funded through the Just Transition Fund and the Carbon Tax Fund



Rialtas na hÉireann
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How has that stood the test of time through the project? Have you had to revise your plans. How have you managed that process?

When applying for the JTF to support the LRD Phase 2 developments, the team experienced obstacles in understanding State Aid and match funding. The team worked closely with the LEOs and with the centralised JTF team to fully understand the complexities and arrangements of the funding for Phase 2.

How did you identify a funding need?

The LRD identified a need for funding by obtaining costs through creating an initial business plan and therefore clearly understood the capital costs required for the visitor centre and expanded facilities in Phase 2.

How have you managed the process of bidding for funding?

The LRD managed the process for bidding for funding internally. However, this was only possible as the three core members of the business had the knowledge and experience to do so, as engineers and an accountant with industry experience in the sector.

Did you have a need for specialist expertise for your project? If so how did you handle that and approach experts?

The LRD required specialised expertise for developing a brand and approached Bord Bia (the Irish Food Board) for support the establishment of a strong brand. This has supported the initial growth of the business and provides a strong foundation for Phase 2.

What have been the hardest difficulties to overcome and how did you overcome them?

The hardest difficulties were centred upon applying and securing for the JTF and obtaining a clear understanding of State Aid and match funding using money from the EU. This required working closely with local public agency partners, such as the LEO. Tight timescales were placed upon the LRD through the State Aid verification process and the LRD managed to overcome this difficulty by having experienced individuals in the business and working in collaboration with relevant public agencies, such as the LEO.

Has the business managed to stay true to the original project vision? If not, why not? If it has, how has this been achieved?

The LRD has managed to stay true to the original project vision of establishing a visitor centre and expanded distillery. The LRD is about to commence construction and will begin to draw down funding in the coming months.

What have been the biggest learnings from the delivery of your project?

The key learnings from the LRD include:

- Understanding the Just Transition Fund application process.
- State Aid categories and what they mean for you as an organisation.
- What match funding means for you as an organisation and how to access it.
- Project selection criteria before undertaking a largescale funding application, ensuring the project is properly planned through a strong business plan.
- Long-term sustainability of the project, wherein generating revenue is key and ensuring sound commercial viability is key. The LRD noted that projects which are entirely grant funded project may be constrained long term.

What decisions, or elements of organisation have been the most important in the delivery of your project?

The LRD stated that setting up the micro distillery was key for providing a basis for applying for funding for Phase 2 and enabling project delivery. The LRD needed to do that to start a presence and to establish itself as an active distillery.

The initial micro distillery was funded by EIS (Enterprise Investment Scheme) in 2017 to build the distilling facility, purchase stock and equipment. This has allowed the LRD to establish its distinctive brand and the LRD management team learned a lot from starting from a small scale.

Another key decision, as a business, was diversifying into whiskey and blended whiskey to capture a global market.

What were the most important sources of advice and guidance for your business as you moved through the different phases of the project?

The LRD registered as members of Drinks Ireland and the Irish Whiskey Association who were important for supporting the LRD in the initial phase of establishing the micro distillery and launching initial operations. The LRD also sought external support from Bord Bia, which was critical for establishing the micro distillery and creating a strong brand. The LEO has also supported the LRD by opening networks and relationships in the region.

Key contact

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Links

Website: <https://www.lrd.ie/>

Irish Whiskey Magazine (September 2022 Article): <https://www.irishwhiskeymagazine.com/news/latest-news/lough-ree-distillery-commences-distillation/>

Twitter: <https://twitter.com/LoughReeDistill>

Facebook: <https://www.facebook.com/LoughReeDistillery>

Instagram: <https://www.instagram.com/loughreedistill/>

YouTube: <https://www.youtube.com/channel/UC3G3vHgl-obLF-KYVxp3bQQ>