

Selling wine became a vintage success story

HOW I MADE IT

Ranald MacDonald
Founder of
Boisdale



International ambitions: Boisdale founder Ranald MacDonald

RANALD MACDONALD was only seven when he launched his first commercial venture – The Scarlet Club, to provide entertainment for his friends at school during lunch breaks.

He said: "Everyone gave me a shilling a week and I would organise games and provide sweets. I organised boxing fights and games of tag."

"But I had no profiteering instinct at all. On one occasion I had surplus money that I hadn't spent from the subscriptions so I bought a cap gun from a shop round the corner," MacDonald said.

"My mother asked me where I had got the money from and when I explained she insisted I went back to the shop and got my money back and distributed it to the people who had given it to me.

"That was my first memory of profit. I knew there was something not quite right about it."

He was born and brought up in north London where his family initially took in paying guests to provide income. But as his father's interior-design business took off the family's circumstances improved.

After leaving school, MacDonald went to study history at St Andrews university where he was thrown out three times for failing exams but always managed to persuade them to let him back in.

Exasperated by his son's behaviour, his father cut off his allowance, so MacDonald supported himself by washing dishes in restaurants.

In his final year – by now his fifth at university – he decided

to earn money selling wine to businesses in the run-up to Christmas.

"I had noticed that the three wine shops in St Andrews sold an identical bottle of wine at three different prices. So I thought that if I bought wine at source I could make a profit of 50-75p a bottle and sell 30-40 cases a week and make a living," he said.

MacDonald put an advert in the Yellow Pages and invited wine importers to his mother's flat to put together a wine list. Then he knocked on the doors of businesses in London asking if they would like to place an order.

He did so well that within three weeks he had sold nearly £30,000-worth of wine. But most customers had paid him in cash and by January he had spent so much of it having a good time he did not have enough to pay his suppliers.

So despite having planned to sell wine for only a couple of months he had no choice but to continue.

He said: "I only went back to St Andrews to take my exams so I continued selling right through the year."

By the end of it he had sold £97,000-worth of wine and had a substantial business, which he ran from his mother's front room when he graduated.

The following year, 1986, he opened a small wine shop with a friend in London's Belgraveia specialising in providing wines with personalised labels for parties and weddings. He called it Boisdale Wines after a remote port in the Outer Hebrides, home of the MacDonalds of Clanranald, an ancient Scottish clan of which his father is chief.

The wine shop started well, and three years later MacDonald opened a Scottish-themed restaurant round the corner, also called Boisdale. But then recession hit and the wine shop started to suffer from bad debts.

"In the late 1980s and early 1990s people stopped paying their bills and we came unstuck," he said.

It was hard work keeping the shop afloat, and when three large customers went bust owing £120,000 the wine shop hit a crisis.

MacDonald hoped to pay off much of the debt by running the bars at a big music event in

Chiswick Park. But the organisers failed to sell enough tickets and he was forced to put the wine shop into voluntary liquidation.

Fortunately the restaurant thrived, and as business grew he gradually expanded the premises, adding a whisky and cigar bar, more dining space and eventually in 1997 taking over the bar next door.

He funded the expansion by raising £250,000 from friends and customers in return for equity in the business.

In 2001 he opened a second Boisdale restaurant in Bishopsgate, London, which was immediately profitable, and took on a restaurant called the Lamb at Hindon in Wiltshire.

He has since opened an outlet in Dublin and plans to open several more overseas, with the aim of turning Boisdale into an international brand. This year the combined business, in which Ranald has a 51% share, will have a turnover of £6m.

But the miserable experience of having to close the wine shop continues to shape the way he does business and MacDonald has been careful to expand cautiously.

"Running a business that is staring bankruptcy in the face for two or three years is pretty tough, and once you have tasted that you don't want to repeat it," he said.

"The whole experience of the late 1980s and the early 1990s was pretty painful. I was very fortunate to be young enough to recover, but it is a nightmare. You do nothing but put out fires, work endlessly and finish up a nervous wreck. I don't think I will ever forget that."

Now 43 and married with four children, MacDonald puts the secret of his success down to perseverance.

"I never gave up and I believed it had to work if I kept going at it. "It never occurred to me that it wouldn't work. It was a question of how long and how much effort and how much pain I would have to endure."

Rachel Bridge