



Patricia and Eamonn Lonergan of Knockanore Farmhouse Cheese, Waterford

Grow: Knockanore Farmhouse Cheese

Making It Happen: Blessed be the cheesemaker that innovates

How Local Enterprise Office Waterford helped one client turn Brexit from hard cheese to solid opportunity

When the UK voted to leave the EU in 2016, Irish newspapers were filled with cheesy headlines.

They were no joke. Ireland's big commercial cheesemakers have successfully sold cheddar into the UK market for decades. The threat of disruption to their business was real.

But Eamonn Lonergan of Knockanore Farmhouse Cheese, a producer of premium farmhouse cheddars made of raw milk, took a different view.

He focused not on Brexit challenges but on Brexit opportunities. "I flipped it around. I looked at all the English cheese coming into this country, and the issues it would face post-Brexit," he says.

UK suppliers selling into Ireland now have additional customs costs to contend with. From talking to his supermarket retailers, he knew many were worried about interruptions in supply.

If he could develop new alternatives he would be solving their problem, "and I'd have Irishness in my favour," he says.

Local Enterprise Office Waterford helped him to capture this new opportunity, one which emerged more than 30 years after he set up the business, in 1987.

"I fell into it really," he explains. "For me cheesemaking was a labour of love, a passion rather than a plan."

Over the decades his farmhouse cheeses, made using unpasteurised milk from his pedigree herd, have won multiple awards and a devoted consumer fan base.

But the first step to capitalising on the new Brexit opportunity was to make the business as competitive as possible. To do that he availed of a LE0 Lean for Micro programme, designed to boost efficiencies in even the smallest businesses.

“One of the big things that came out of that for me was the consultant’s questions about my business’s future, where was it going and whether there was a succession plan in place,” he says.

With his son Edward eager to join, Eamonn became increasingly keen to identify barriers to future growth.

Lean for Micro helped him see two structural barriers in his existing business model.

On the supply side, a huge amount of his capital is tied up in stock, simply because it takes time for cheese to mature. “My money is tied up in cheese,” he smiles.

On the sales side it didn’t help that supermarkets here don’t buy forward, which would ease his cashflow, but in fact typically look for discounts.

Those two factors, taken together, would always inhibit the business’s growth. “It just wasn’t sustainable,” he says.

To grow sales, he first needed to grow his range. That meant developing new products. With support from Enterprise Ireland’s Agile Innovation Fund, he invested in new product development and new equipment to produce it on.

In addition to Knockanore premium raw milk cheddars he has added a new brand, Bride Valley Cheese, a range of flavoured cheddars which he blends and smokes in-house.

Today he has 20 product lines and a much more resilient business. “Introducing a wider range enabled me to grow both turnover and profitability,” he says.

He now also has the capacity to service other UK-cheddar cheese markets that have been disrupted by Brexit, from Europe to the Middle East.

LEO Brexit mentoring helped too. “Not just for the bit we sell into the UK but more so for the cheese we sell into Europe that goes through the UK. Brexit Mentoring was brilliant and, as a result, we are as on top of things now as we can be,” he explains.

That is paying dividends. Turnover will be up between 5% and 10% this year, he predicts. “We have boosted our margin too.”

In fact, the years since the Brexit vote have been transformational for Knockanore.

“I needed to change direction and Lean for Micro and Agile Innovation funding helped me do that,” says Eamonn.

“As a result, not only am I the largest producer in Ireland of high end, unpasteurised cheese, but I’m bringing all my experience of speciality cheesemaking to a whole new range of products.”

“The sound advice from the people in the Local Enterprise Office helped me to do that. They cleaned the window for me, so that I could see more clearly and I’ve a better business as a result.”

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Knockanore
Farmhouse Cheese

He’s not the only one who thinks so. Knockanore Cheese has just won the LEO Brexit Ready Award at the National Enterprise Awards final, in recognition of its success identifying opportunities post-Brexit.

Eamonn’s experience shows that, while Brexit creates challenges, with the right supports it can generate opportunities too.

“It was through conversations with his customers, hearing how worried they were about their UK suppliers post-Brexit, that led Eamonn to see that there was an opportunity for him to develop and produce products that provided them with security of supply,” says Bríd Kirby, Senior Enterprise Development Officer at Local Enterprise Office Waterford.

She believes Eamonn made really clever use of LEO supports.

“It was from talking to his Lean for Micro Consultant that he became aware of the Agile Innovation Fund. That led to other supports, including a Business Continuity Voucher and a Trading Online Voucher, which helped him upgrade his website. He also received mentoring support,” says Bríd.

“He had the right people around him at the right time, using both financial and mentoring supports as steppingstones to develop and grow his business.”

Local Enterprise Offices support businesses at every stage, she points out.

“We’re not just here for start-ups. LEOs are very much open to established microbusinesses too. We have supports for businesses of any stage and our door is always open,” she says.

“Just like Eamonn, we want people to come in and have that conversation with us.”

If you want to grow your small business, talk to us. Together, we can make it happen. LocalEnterprise.ie