

# Brunning & Price

## Company History



Jerry Brunning had begun life in the family advertising business, but had hankered after the fertile valleys on the other side of the pumps, being an enthusiastic, but often disappointed, pub-goer. The seeds of the company germinated in 1981, when Jerry bought the freehold of the Bell Inn at Outwood, a small village in Surrey.

### The Bell



A bit of a classic in the Surrey countryside.



Jerry having a word about his tax return with the Chancellor at that time, Geoffrey Howe

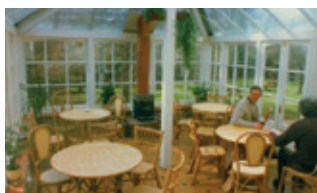
The Bell was a beautiful 16th century pub in a small village surrounded by unspoilt countryside, yet not too far from the hurly-burly of Gatwick.

Jerry was the landlord and used the place to develop the style of operation that we run today: classic interiors, decent plain home cooking, a variety of cask conditioned beers and good wine. Pubs didn't generally have these things in those days, and the Bell was immediately popular.

### The Fox Revived

The Bell was very busy and the learning curve very steep. After a few years, only made financially survivable by the high turnover and rising property prices, Jerry decided to buy a lease on another pub, the Fox Revived at Norwood Hill, another country pub near Gatwick.

You can see from old photographs of the Fox the genetic blueprint that underpins our pubs – old furniture, blackboards, books and pictures to give relaxed and comfortable surroundings, a sunny conservatory and pleasant gardens.



Although the two pubs were busy, the business suffered from the classic problems of a start-up operation: more enthusiasm than skill and poor accounting information, coupled with a difficult economy and a bank reluctant to take risks.

### The Great Eastern

Money was expensive then (16% per annum) and difficult to get, so it was decided to sell the freehold of the Bell Inn and buy two more leased properties to add to the Fox Revived. Jerry sold the Bell for £310,000 (bought for £160,000) in 1984 and put the money into two tenancies: the Great Eastern in Brighton and the Black Jug in Horsham. So then there were three.



The Great Eastern before.



The Great Eastern after a damn good thrashing.



The interior style had pretty much evolved by then.



Wood panelling, old furniture, clocks, books...only the carnations didn't make it into the 90's.

By now, Jerry's old drinking partner Graham Price had graduated (in Management Science), joined Tetley's in Yorkshire, left Tetley's in Yorkshire (neither he nor Jerry being corporate types) and formed his own company with his father running the Middle House Hotel in Mayfield, Sussex. This was a beautiful 16th century inn with rooms and a restaurant.



The Middle House, Graham's first pub.



Graham offered us £50 not to use this photo but Jerry gave us £100 to include it



The bar.



Classic 16th century oak interior.

After much deep discussion, usually late into the night at the bar, Graham and Jerry became partners in Pubs Ltd (later renamed Brunning and Price) in 1988. Graham sold the Middle House and put some money into the company.

Their first task was to expand. Another pub was needed to keep the ball rolling, but it was a very difficult time for the business – it was not strong enough to raise money easily, but expansion was essential if they were to succeed in getting over the hump and achieving ‘critical mass’. They needed something cheap, but which could be made beautiful.

## The move to Chester and the search for money

They found a site in Chester, got planning permission to turn it into a pub, got the liquor license and then tried to raise the £90,000 necessary to do the work. Predictably, every high street bank in Chester turned them down.

Then their lawyer introduced them to 3i plc - a huge venture capital company. It happened that Jonathan Russell, then a newly graduated MBA in their Brighton office, was very keen on our pubs and a regular at two out of the three. He immediately saw that we needed to grow and agreed to lend us money in exchange for a fixed price option of £25,000 for 20% of the shares.



Graham and Jerry at the opening of Harkers. Jerry has since given up the gaspers.

In fact, Jonathan lent us more than we needed, £120,000 instead of £90,000, explaining that in his experience people overspent on this sort of project - how right he was. As a result, the Old Harkers Arms opened in 1989 and was an immediate success.

3i supported us with loans for our next three pubs: the Hare in Langton Green outside Tunbridge Wells, the Grosvenor Arms in Aldford near Chester and the Pant Yr Ochain in Wrexham. Since then, we have borrowed from our high street bank, NatWest, as our security is good, making the risk low and the bank comfortable.



We moved our office from rooms over the Black Jug in Horsham to rooms over the Grosvenor Arms in Aldford, but later we moved the offices again to converted farm buildings in Saughton.

In 2000 we bought out the shares from 3i (paying £750k for their 20% and making them a very nice return on their investment) and so the ownership was back to just Jerry and Graham.

## The Restaurant Group

Right from the outset, the plan was to get the company to fourteen or sixteen pubs, which is a useful size for a group of pubs. It's big enough to have achieved critical mass in terms of our size and ability to grow, and to be able to provide decent head office support in terms of food, beer and wine, IT, HR, buildings, accounts etc.

Nevertheless, by 2007, as we approached the magic number the question was “Where do we go from here?”. The big problem we faced was that when we had 14 pubs and open just one pub a year, there are 14 deputy managers and 14 deputy chefs wanting the main job in that pub. If we had 25 pubs, and only added one new pub in a year, there would be 25 deputies and 25 second chefs chasing the main job in the new pub – so the bigger you grow, the more the company gets bogged down and the more people become frustrated and start looking for better opportunities elsewhere.

So we asked ourselves the question, do we set the pubs in amber and go off and develop businesses elsewhere? Well, you don't have to be Einstein to appreciate that for us to do nothing means that in the real world we would soon start to go backwards. So we had to keep growing, but at an accelerated pace, which meant we needed serious funding.

Being beholden to the city by either floating the company or getting into bed with venture capitalists again didn't launch Jerry and Graham's canoe at all. It became apparent that what we needed to do was to hand over the reins of the company to someone with the drive and resources to move us onto another level, whilst keeping our standards high and culture intact. Jerry and Graham had been friends with Andrew Page, the Chief Exec of The Restaurant Group, for several years, and he had been an enthusiastic fan of the Hand and Trumpet, his father's local, since it opened. He understood what made B&P tick, and why customers and staff alike are so enthusiastic about our pubs, and so it was, in October 2007, TRG bought all the shares in Brunning and Price from Jerry and Graham.

## Onwards and upwards

Since then there is no doubt, in our own minds anyway, that we have gone from strength to strength. The Restaurant Group have encouraged our organic expansion, and we now add four or five new pubs a year, which happily means there are more opportunities, more often, for people who want to grow their careers with us. Our culture remains as strong as ever, but we are more focussed and our systems are tighter all round. The feeling we have is that the pubs have never looked better, and that the standard of our food is higher than it has ever been: but we need to keep pushing on as the competition is also much stronger than it has ever been.

In 2010 Blubeckers, another pub group operated by the Restaurant Group, came under the umbrella of Brunning and Price. The 28 family restaurants were not in a healthy state, and presented a massive challenge which stretched sinew and nerve to turn around. We have converted most of them to Brunning and Price pubs, and they are steadily making their way in the world.