

A 21st century vision for Shannon and the Mid-West

Shannon Group chief operating officer Ray O’Driscoll talks to ThinkBusiness about how the group plans to invest €150m over the next five years to help the Mid-West region and its industries take off into the 21st century.

When most people think of the [Shannon Group](#) and the region’s industrial and aviation past, it conjures up memories of Shannon Development, the Shannon Free Zone, American flying boats landing in the estuary in the early days of air travel and of course the world’s first Duty Free.

However, when you sit down with Ray O’Driscoll, the chief operating officer of Shannon Group, a very different narrative is about to unfold for the region and the assets under management at the group, not to mention ambitious plans to increase connectivity at the airport from the US and Europe to include potentially Asia, the Middle East, and beyond.

Led by CEO Mary Consadine, there are four main components to Shannon Group, including Shannon Commercial Properties, Shannon Airport, Shannon Heritage (which includes management of castles like Bunratty in Clare, the GPO in Dublin and King John’s Castle in Limerick, to name a few) and Shannon Iasc, the International Aviation Services Centre.

Shannon Group plc is a commercial semi-state company that was formed on 5 September 2014 and employs more than 600 people. The group’s activities support 46,500 jobs in the Mid-West and beyond, and these contribute €3.6bn a year to the regional and national economy.

Since 2014 the group has channelled more than €110m into new commercial property developments including the first new aircraft hanger to be built in Ireland in 20 years as well as new offices and advanced manufacturing facilities. This is only the start as the group doubles down on maximising use of greenfield and brownfield land.

Last year alone, the group invested €33m on capital projects, including the commencement of construction of 150,000 sq ft of new property solutions on a 12-acre site at Shannon Free Zone.

Flying into the future

For Ray O’Driscoll, the word “commercial” and phrase “semi-state” highlight a unique set of problems. While profits are up 30pc year-on-year, he believes that the seasonal nature of air travel and tourism, not to mention global news events, can all have an impact. For example, after six successive years of growth at the airport, passenger numbers were down 8pc to 1.71m in 2019

owing mostly to the global grounding of the Boeing 737 Max Jet, which led to the cancellation of 13 weekly transatlantic services during the peak summer season.

However, there is also good news as in recent weeks Ryanair announced expanded services to and from Manchester to Shannon Airport.

“While we may be a semi-state, in reality we take a very business-driven approach and we have a P&L to focus on.

“We have to generate a proper return. And while profits are up, we need to constantly generate more cash in order to reinvest in the business for the future. Our goal here is to build upon what’s been developed in the past but ultimately to build a long-term sustainable business for the region and the people of the Mid-West.”

O’Driscoll is a consummate businessman whose career includes leadership roles at tech firms like Eurologic and Elipsan, a regional airline called Jetmagic, retail player Barry Group, and prior becoming COO of Shannon Group he was managing director of its Commercial Properties Division, in charge of 2m square feet of building space, 200 buildings and 1,500 acres of development land.

He said that when Consadine was recruiting him for the role she asked him what he knew about the property business. “Nothing,” he said. “You’ll be perfect so,” she replied.

Soaring on sustainability

The future, O’Driscoll emphasises, is about sustainability and viability.

“It’s important to realise that having an airport in the region is a significant factor in any FDI (foreign direct investment) decision and the better connectivity we have it increases the ability to attract companies to the region and raise employment.”

As well as the airport, he believes the challenge is to ready Shannon for a whole new industrial future powered by advanced manufacturing and engineering. “We have more than 150 acres of greenfield sites and 4,500 acres of brownfield and our goal here is to roll-out a sustainable development plan.”

The lynchpin of that sustainable future is combining the educational infrastructure of the Mid-West with the various industry clusters (tech, aerospace, fintech, pharma, medtech, etc) and connectivity (air and road).

Looking to the future of the region, indigenous companies also have a powerful role to play as well

as FDI.

“We work closely with Enterprise Ireland. We have established our Gateway Hub here, which is our co working hot desk serviced office facility. We've worked with the Ryan family and with Enterprise Ireland companies like Datalex to set up a competitive offering here to allow Irish and international start-ups that were initially focused on the aviation aerospace sector to start-up, and we provide funding and access to the building here for such companies and that's been a success.

“Our focus is to build a long-term sustainable business for people, for the region and for the country, leveraging the airport, the commercial property assets and heritage assets that we have.

“We plan to spend about €150m over the next five years on the airport complex, and on the business parks and on our heritage products. So, we have a pipeline of investment in the plan. We're currently working on about six units, including four industrial units, totalling about 200,000 sq ft. We've just delivered the first aircraft hangar in Ireland for over 20 years. We're starting to work on our next office block.”

Evidence of the transformation of the Shannon Free Zone, for example is the unique looking [Jaguar Land Rover](#) software development centre that now employs almost 300 people. Not only that but the zone could drive the future of cars since some €4.7m has been allocated by the Irish Government to finance the Future Mobility Campus (FMCI) project. This will be a 13km private road-testing facility for driverless vehicles and leading companies in the autonomous vehicle sector such as Jaguar Land Rover, Cisco, AMAX Engineering, Taoglas, Mergon International, General Motors, Analog Devices, Valeo, SGS, PiPiper, Transpoco, Arralis and Arup will have the facility made available to them for rental purposes.

Balanced regional growth

“The sustainable development of the Shannon Group is a vital cog in the wheel of balanced regional growth for the Mid-West,” said Michael Lauhoff, director of Business Banking at Bank of Ireland.

“Shannon Airport and Shannon Commercial Properties are key infrastructural assets for the Mid-West and play a vital part in achieving both a targeted and sustained growth for the region via tourism (Wild Atlantic Way access point) and inward investment (FDI).”

O'Driscoll said Shannon Group is working on a sustainable development that is realistic while also ambitious.

“We can dial it up or down or down, depending on the demand or the economic climate. But we've a very confident view on where we are. We have a lot going for ourselves here.”

O'Driscoll said that Shannon cannot rest on the laurels of its past. "It's a different world today. A lot of other nations are competing with the IDA and Ireland in terms of attracting FDI to the region. And we have a challenge in the west of Ireland, because we have to compete with all the other regions. But in our region here, we think we have a great product. We've a great airport. Very good connectivity, both to the US, to Europe and the UK, we have fantastic motorway infrastructure. There's no congestion, no delays. Superb infrastructure.

"Our location between Limerick and Galway gives us fantastic access to an educated workforce from the universities and colleges in both cities. And we've, you know, within the Shannon Free Zone, there's 180 companies employing 8,000 people. 80 of those companies are in the aviation aerospace sector, and they employ about 3,000 people.

"So, there's a huge cluster of businesses here, a readily available educated workforce, and a combination of all those factors we think gives us an excellent package."

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