



FREE KIC

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THE MIGHTY QUINN

I first heard the name Sean Quinn around the time that the Slieve Russell hotel was being built. A friend of mine was a native of Co. Cavan and he told me about how everybody down in Cavan thought that Sean Quinn was completely mad. Why on earth would he spend a fortune building a hotel in the middle of nowhere at a time when the economy was in the doldrums.

My friend decided to go and have a look at the place because it had become such a talking point. He described driving along these tiny country roads and then coming around a bend near Ballyconnell and suddenly being shocked by the scale of the development. As the picture shows below it certainly is a major development and would have been quite a sight in those recessionary times.

Slieve Russell Hotel



Given how unusual an event this was at the time, it began to get a fair amount of media coverage, but Sean Quinn is no Michael O'Leary, he doesn't go out of his way to court publicity, so I did not have the opportunity to hear him describe his logic for taking this major risk.

The basic story of his life had been well covered by the media. Journalists described how he had started with a small quarry on the family farm just over the border in Co. Fermanagh and how he had then expanded into cement. In order to get into cement he had taken on the might of CRH.

I presume that at the time this investment was seen as risky because of the capital required. He was obviously a man prepared to take a risk, a true entrepreneur, a man prepared to lose everything that he had worked so hard to build.



Sean Quinn

Little did I think at the time I first heard the name Sean Quinn that I would end up frequently using his hotel. As I have mentioned in the background piece of this website, the name of my company Killeevan Investment Consultants is named after the parish in county Monaghan where my wife is from. This parish is probably

25 miles from the Slieve Russell Hotel. When we were trying to decide where to hold our wedding reception we decided to go and have a look at the Slieve Russell. I have to admit from the first time we went in, we felt that this was a nice hotel and we had a wonderful wedding there in 1997.

I began to see that even with the poor roads the hotel was less than 2 hours from Belfast and less than 3 hours from Dublin. The people that thought he was mad were now beginning to change their minds. The risk was paying off. I don't know if he was a visionary or just lucky all I know is that I admire him for having the guts to try it in the first place.

Sean Quinn continued to take further risks buying into the pub trade. He bought a number of well known pubs in Dublin like the Barge and the Cat and Cage. His next big venture was to move into the car insurance market. Again I think many people thought he must be crazy but again he seems to have done well. From car insurance he moved into other forms of insurance.

When I was setting up my KIC in 2005 I was told by the Financial Regulator that I needed professional indemnity insurance. I looked up the Golden Pages and found a couple of insurance brokers that specialised in it. I met one broker and spoke to another one on the phone. The one I met said that I would be lucky if I could get insurance for less than €20,000. The other one got me to fill in a form and then came back to me to tell me that they could not even get me a quote. I was getting worried that I was going to have to spend a lot of money on insurance.

I think I saw Quinn Insurance advertising professional indemnity in the Golden Pages. I gave them a call and filled out a relatively straight forward form (unlike the complicated form from the broker). To cut a long story short I got insured with Quinn for €3,500. It made the decision to go out on my own a lot easier and for that I will be forever grateful to Sean Quinn. I am still insured with Quinn and I have found them a good company to deal with. (They even reduced the premium this year).

Now that I am up and running in business I find a number of people asking me about the best place to invest or to set up a pension. For many of these people they do not have sufficient capital to justify buying a direct share portfolio through a stock broker or through a self administered pension. In these situations I have found myself turning once again to Sean Quinn. He now has Quinn Life and it follows a simple business philosophy. It keeps things straightforward. There are no complicated charging structures. There is just a simple annual management fee. There is no mention of bid/offer spreads or allocation rates. He can do this for two reasons. First of all he does not pay commission to insurance brokers and secondly he does not hire expensive fund managers. This allows him to keep things cheap but the great thing about this product is that cheap does not necessarily mean poorer quality. In fact all the evidence suggests that these funds (index tracking funds) from the likes of Quinn Life perform better than the actively managed expensive funds.

Quinn has now bought into the health insurance market through his acquisition of BUPA. I even read in the paper that he is looking to move into power generation. I didn't mention that he has also bought into plastics and started a glass factory. Is there no end to the madness of this man. Further evidence of his madness has been his move into the insurance market in the UK.

We went back to stay in the Slieve Russell a few weeks ago and we noticed a massive house built close to the hotel. It turns out that this is a new house for Sean Quinn. It looks like a house fit for a billionaire, one of the richest men on the planet.

This leads me to an issue that I have been thinking about for some time now and that is the issue of the gap between rich and poor. I often hear it stated that one of the problems in modern Ireland is the fact that the gap between rich and poor has got wider. If the gap has got wider because people like Sean Quinn have managed to be successful well then I think that it would be good if the gap got even wider because the more entrepreneurs we have the better. More risk takers like Sean Quinn have to be good for society. He has probably helped to narrow the gap between one of the poorer areas of the country, the border area, and the larger urban areas. He has created well paid jobs in a part of the country that had been highly dependent on agriculture and as is generally accepted, jobs are the single biggest thing to help people out of poverty.

As long as the people who cannot work are not forgotten, as long as we have a society that cares, a society that does not leave people for hours in A&E and as long as we have a society that encourages equality of opportunity well then I am not concerned about the size of the gap between rich and poor. (In other words as long as the poor are not poor in an absolute sense, just a relative sense, if you know what I mean.)

If the widening gap is more to do with the excesses of executive compensation (see opinion piece number 13 Oct 06: The mad mad world of executive compensation) well then I do believe that the gap should be narrowed. I just wish that there was some decent research to make a judgement on that.

In conclusion I just want to say that I admire Sean Quinn and I believe that if anyone deserves the title “the Mighty Quinn” well then he should be that person. If he ran a quoted company I would look closely at investing in it but at this stage he will never need to do that. I will just stick to recommending his products to my clients.

(I presume that “Manfred Mann” the original band that recorded the song “Mighty Quinn” will have no objections to me stealing their title.)

