

## 16

## Harry Cragoe

### Founder of PJ Smoothies

Harry Cragoe had an early insight into what makes entrepreneurs tick. Most of his parents' friends were self-employed, and at the age of eight he would sit under the table when they came round for dinner and listen to their conversations. He says: 'I would hear them talking about their businesses and what they were doing. I'm sure it had an effect on me as I never really considered a life working for someone else.'

He left school at 18 and started working as a commodity broker in the City but soon quit to set up a company with three friends selling air and water-filter systems. The business took him to Los Angeles where he developed a passion for drinking smoothies, a cold drink made from blended fruit. He says: 'When I left England I was unfit and pasty white, but once I got to Los Angeles I really got into the Californian way of life, going to the gym and running along the beach. And part of that was about putting good stuff inside your body.'



Enthused by his discovery he sold his share of the water-filter company and came back to Britain determined to find a way of bringing smoothies to a new audience here. He became convinced there was a gap in the market for them after visiting dozens of sandwich bars and discovering that in most of them the only healthy drinks in the chilled cabinet were apple and orange juice.

He asked a friend to help him, and between them they raised £100,000 to invest in the venture. Cragoe says: 'I sold pretty much everything I owned to get the business going, including my flat in Battersea, my car and every investment I had. The only things I had left were my clothes and shoes. I totally believed that smoothies would be a success.'

He quickly discovered, however, that none of the juice manufacturers in Britain agreed. He says: 'People would look at me blankly. They didn't think smoothies would work over here, and they were not remotely interested in helping us make them.' But Cragoe refused to give up on his idea. He went back to America and eventually found a smoothie producer over there which was prepared to make

a batch of 40,000 cases for him and freeze them for shipment to Britain.

Back home Cragoe found a designer to create the packaging and then spent 12 hours a day going from store to store trying to find retailers who might be interested in buying his product. He decided to call his drink Pete and Johnny Smoothies, later shortened to PJ, after two of his friends.

The first order was placed by Cullens supermarket in Fulham and in October 1994 they took their first delivery. It was not the best time of year to try to sell a chilled drink which customers had never heard of. Cragoe says: 'It was freezing cold outside and they were twice the price of anything else on the shelf. But half of them sold within two hours of being put on the shelves. It was very exciting.'

It was also extremely daunting. He says: 'It was all quite scary because all the time people in the retail trade were telling us that smoothies were just a flash in the pan and that they would be like alcopops, here today and gone tomorrow. I had many sleepless nights.' He was, however, also convinced they were wrong and to prove it managed to secure orders from supermarket chains Tesco and Waitrose.

British drinks manufacturers were still not interested in getting involved, so Cragoe had to spend two years shipping over frozen smoothies from America – and labouriously thawing out each one individually – before he eventually decided to take the plunge and build a factory of his own in Nottingham. He says: 'It was a major decision to buy our own factory because a factory is a very hungry animal. As you expand you continually need to put more money into growing it and buying more equipment. But it also allows us to have more flexibility in launching new drinks.'

But just as sales started taking off, Cragoe hit an unexpected crisis in his own life. Three years after launching the business and while working seven days a week round the clock, he was seriously injured when he fell off an 80-foot cliff. He had broken his hip, both wrists and a number of other bones. He was supposed to stay in hospital for six weeks but checked himself out after two weeks on crutches, which he had specially made for him. He says: 'I had to be back at the office because there was nobody else there to run the business.'

His unwavering determination to succeed has paid off. By 2004 PJ Smoothies had a turnover of £12 million a year and sold 350,000 bottles a week in 14 different flavours. In 2006 Cragoe, who had taken over the running of the company when his partner left to pursue other interests, sold the business to PepsiCo for a figure understood to be around £20 million.

He now spends his time investing in privately owned companies which he believes have an innovative product

### Fact File

**Date of birth:** 21 January 1965

**Marital status:** married with two children

**Highest level of education achieved:** secondary school

**Qualifications:** 12 O levels, 4 A levels

**Interests:** trout and salmon fishing, mountain biking, tennis

**Personal philosophy:** 'Whatever you do, do it at 110 per cent or don't bother, because the results won't please you or anyone else. And be honest in everything you do.'

or service to offer, where he can play an active role in the management team. This normally means sitting on the board and helping with the company's general strategy, as well as occasionally helping in a specific area such as branding, communications, sales and marketing. His interests currently include an internet-based courier business, a marketing agency, a raw pizza delivery company, a hotel group and a worldwide wine advisory business.

Now 44, Cragoe says people should never be put off trying something new: 'I'm not convinced that having experience is that important to becoming a successful entrepreneur. I think that it is about totally and utterly believing in what you are doing and being passionately committed to it.'