

## Scientist who saw an opportunity and just ran with it

Author: Miriam Steffens  
Date: 15/09/2012  
Words: 737  
Source: SMH

Publication: Sydney Morning Herald  
Section: Business  
Page: 9

ASK Barry McCleary about the beginnings of his international biotechnology company **Megazyme**, and it doesn't take long to see he's a scientist at heart, not a businessman.

He will tell you how, working as principal research scientist at the NSW Department of Agriculture in the 1980s, grain growers frequently asked him to develop tests that would help them grow better quality barley for beer brewing.

In barley, "there is a component called beta-glucan, which is part of the cellwall of the grain," Professor McCleary explained - a brewer's bane as it makes the grain extract gooey when mashed to make beer, leading to thicker brews and longer filtration times. So the aim was to measure beta-glucan levels in barley and discover varieties with low levels of the compound.

Professor McCleary devised a method that would become an international standard. As it was commercialised by a biochemical company, he saw the profit potential of developing diagnostic tests for the food, wine and other industries. He quit his government job and started his own business at his home in north-west Sydney in 1988.

A friend teased him that Microzyme would be a fitting company name as "it was obviously a very small business - it was me in a garage", Professor McCleary said.

But consulting work meant he was able to buy laboratory and production equipment, and within two years most of his income came from the tests he developed. In 1993, the company was named the Telstra Australian Small Business of the Year among manufacturers with fewer than 100 staff.

While there may have been initial hubris in the name, **Megazyme** - now based in Ireland - has become an international specialist provider of diagnostic test kits with more than 30 staff and about €7 million (\$8.6 million) in annual sales, exporting to more than 40 countries. Most Australian wine makers use its test kits to measure components such as sugar content that affect the quality of their vintages.

The rapid growth didn't come without challenges. The company moved to a larger factory unit in 1993 after sales tripled within a year. Investing in new equipment while waiting for a big customer to pay its bills, Professor McCleary was hit by a \$250,000 tax bill, plus the same amount in provisional tax. In the cash squeeze, the bank cut its overdraft facility, and a bad-debt expert walked through the factory to see what could be sold off.

We were pretty desperate for a few weeks until payments came in, Professor McCleary said. "It made me realise you really can't depend on anybody when it comes to cash; you have to make sure you don't let yourself get caught short because people won't do you favours."

After 18 months at the new factory, Professor McCleary's Irish wife - responsible for the company's marketing - wanted to go back to Ireland. so the couple moved the family business south of Dublin where they built a 10,000 sq m factory.

Shipping all the equipment to the other side of the world in massive containers was a logistical feat. But having pre-produced a year's stock that was airfreighted to Ireland, the business relocated during a weekend in mid-1996 without losing a trading day.

**Megazyme** was helped by a favourable Irish tax regime but Professor McCleary said it took him about two years to settle down. "It was tough getting all the structures that we had in Sydney back in place," he said - finding new staff, suppliers and distributors.

The 62-year old scientist, an adjunct professor with the University of Sydney, still enjoys donning a lab

coat and, wants to keep running the business for at least another five years. As a global exporter, he's little affected by the dire straits of Ireland's economy.

He has resisted calls to sell the company, having bought out his wife when the couple separated a few years ago, and is grooming potential successors to continue his work when he retires, to run the business as a trust that would pay dividends to his children.

"I'm a scientist who saw an opportunity, and built a business around that opportunity," Professor McCleary said. His advice to young entrepreneurs is: "Don't expect you'll be driving a Mercedes at the end of the first year ... The main thing is being moderate with everything you do.

"You have to take a certain number of risks, [but] take risks where you might lose some money but you're not going to lose the company."