

Listen and learn

Animal health sector specialist Argenta is a winning export business and has the award and the runs on the board to prove it. Patricia Moore spoke with CEO Doug Cleverly.

If you want overseas business you have to really earn the right to get it; the way to earn it is to seriously over-deliver." Dr Doug Cleverly, CEO at Argenta, knows what he's talking about. In the three years since the company was founded, a successful export strategy has seen Argenta's turnover nearly triple to close on \$40 million and staff numbers grow from 72 to 108, with another 15 in US-based subsidiary, AlcheraBio.

Earlier this year the company was winner of the 2009 Enterprise Manukau Excellence in Exporting Award.

Argenta operates in the animal health sector and was established in 2006 when the businesses of manufacturers Nufarm Health & Sciences and R&D specialists Chem Laboratories, were combined. At that stage the manufacturing business mainly supplied the New Zealand market with approximately 25 percent going to Australia; the R&D business was 100 percent export based.

The picture is rather different today. The research business has doubled, says Cleverly, bringing in around \$8 million in overseas funds a year; manufacturing exports account for between \$30 and \$32 million. Only 20 percent of manufactured product is sold locally; 32 percent now heads to the US, 20 percent to Australia and 28 percent to Europe and various other parts of the world.

Argenta is contracted to both manufacture and research for eight of the world's top 10 animal health pharmaceutical companies and works with numerous smaller organisations and enterprises such as universities and venture capital companies.

"The animal health industry isn't huge and word gets around pretty quick that you're up and operating," says Cleverly. Networking, contacts through his business partner Gordon Vincent, and those Cleverly made while working in the States helped.

"When we first started out in research we were contacted by a New Zealander working at Pfizer who'd heard I was back home and we had set up a research company."

Cleverly credits his experience in the US



CEO Doug Cleverly.

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with much of Argenta's success and believes more Kiwis considering the export market could benefit from taking advice he was given years ago. "You've got two ears and one mouth; so listen twice as much as you talk. I did that in the US. I listened and learnt and learnt." He learnt Americans and

Europeans don't subscribe to our Number 8 wire approach. "They're very professional with a desire for excellence in everything they do. New Zealanders can do well in that environment if they adopt that desire for excellence and then apply the Number 8 wire approach to arrive at a solution.

"Succeeding in the US and European markets requires a mixture of ingenuity and can-do along with a desire to do the job properly." Good-enough doesn't cut it, he says. "To do the job properly you've got to do it five times better than you think you need to."

Businesses looking to expand into export need to establish partnerships with overseas companies, says Cleverly. "Identify those companies you have a cultural identity with and really partner with them. We're in an unusual situation because we don't actually market our own products. We market our intellectual property and our research and manufacturing capabilities." What they had to do, he says, was establish international partnerships they could leverage off. "Get them to represent the products we make." But, he stresses, you have to earn the right to ask.

Doug Cleverly can't speak highly enough of the assistance Argenta's received from NZTE. "They're great. Their financial support has been excellent but it's the access to information we'd never get otherwise, that's so valuable. They've also put us in contact with overseas advisors through their Beachheads programme."

Cleverly believes the value of Argenta's export business will continue to grow, particularly as they reap the benefits of expansion into research in the companion animal area. They're also spending money hiring the right people. "Out of our seven person management team, five are US or EU imports with 20-plus years experience in animal or human health."

But, he says, logistics are the differentiator in a global market. "It's all about good supply chain control from beginning to end. If you've got that, you've got good price control, which means you remain competitive and clients get what they want when they want it."

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