

AESSEAL (MCK) Limited

How a small distribution service for industrial seals turned into a successful, innovative marketing and manufacturing operation with a turnover of well over £1m

Beginning by focusing on customer needs and solving technical problems, Aesseal MCK of Belfast have expanded way beyond their humble origins to become a successful manufacturing business, exporting their industrial barrier systems all over the world. This article sets out –

- * Early History
- * Marketing Strategy
- * Product Development
- * Marketing New Products
- * The Bottom line

Early History

Aesseal (MCK) Limited, based in Belfast, was formed in 1990 as a partnership between Jim McKeever and Chris Rea, to supply mechanical seals and allied products to the manufacturing industry in Northern Ireland. The company's main products were manufactured by AES Engineering Ltd, of Rotherham, of which Chris Rea was founding shareholder and Managing Director. Rea was born and brought up in Northern Ireland and was keen to maintain his links with the Province. AES Engineering was founded in 1979 and markets a comprehensive range of mechanical seals and fluid sealing products as well as providing a repair, refurbishment and installation service for mechanical seals and pumps.

Aesseal (MCK) achieved annual increases in sales until by 1992 turnover was around £250,000, mainly from sales within Northern Ireland. But McKeever and Rea knew the company had become heavily dependent on one customer (Dupont UK Ltd) and decided they needed to think strategically about identifying and targeting new markets.

Marketing Strategy

The company knew that their customer/problem-solving focus had been a major factor in their success in increasing sales (and in particular in obtaining and expanding the Dupont business). This approach involved analysing customers' manufacturing processes and identifying appropriate solutions, rather than simply attempting to sell products from a catalogue. Additionally, this inovative approach resulted in the development of new products, as detailed below.

Aesseal (MCK) decided to build on their existing knowledge base by targeting chemical and pharmaceutical companies in the Republic of Ireland. They were attracted by the fact that there was a high geographical concentration of such companies in the Cork



area Using contacts made by AES in the USA, MCK was already doing business with a major chemical company in Cork, ADM.

MCK contacted the Irish Trade Board and obtained a computerised database of Irish manufacturing companies. From this, MCK identified some 170 chemical and pharmaceutical firms with more than 50 employees, and a sales plan was developed to target this group.

Following the success of this plan, the company adopted a similar approach to food- and drink-processing plants. Throughout the implementation of these plans, MCK kept up their original commitment to the focus on individual customers and problem-solving.

Product Development

Having begun with a specific solution to a particular customer problem, Jim McKeever developed a new product range of barrier systems, representing a considerable technical innovation, for which worldwide patent rights were obtained. These systems are now being manufactured by MCK in Belfast.

In 1997 AES engineering acquired all the shares in AESSEAL (MCK) Ltd, making it a wholly-owned subsidiary of the AES group. The group operates from some 15 locations worldwide and in April 2000 was awarded the Queen's Award for Enterprise. This acquisition gave MCK access to the financial resources the company needed to develop a manufacturing facility in Belfast. In addition, the AES group decided at the end of 1998 to centralise manufacture of all their barrier systems products at the Belfast plant.

Sales of manufactured products came fully on stream in April 1999 and, from a standing start, the company achieved sales of £436,000 in the year to 31 December 1999, and were on course to achieve their target of £715,000 for 2000.

Marketing New Products

As a result of their research, MCK were aware that the market for barrier systems products within Ireland was not large enough for sustained growth. But there were much bigger markets for the products in the USA, Europe and the UK mainland.

The marketing strategy they developed was as follows:

- a) A Product Development Manager was appointed, based in England, primarily to liaise with the AES UK-based sales force but also to develop markets in Europe.
- b) It was decided to capitalise on AES's world-wide base of 150 distributors by running training programmes (both on site in Belfast and at strategic locations abroad) for key personnel to educate and familiarise themselves with the new product range.
- c) The firm made a major investment in targeted marketing literature and a computerised technical database was designed to cover the product range.



d) Strategic target markets were identified in specific manufacturing industries.

The Bottom line

Overall performance

The company's turnover in 1992 was £250,000. In the year to 31 December 1999 this had increased to £1,203,000, with £721,000, some 60%, being exports, including Republic of Ireland. The budgeted turnover for the year to 31 December 2000 was £1,700,000, of which £1,258,000, or 74%, were exports.

New products

The period from April to December 1999 produced sales of £436,000, of which £184,000 were exports. The budgeted turnover for the year to 31 December 2000 was £715,000, including £482,000 exports, of which £174,000 were expected to be to the USA.

