

Murco Ltd

Case Study Company **Murco Ltd, Dublin Ireland**

Regions Involved **Europe, U.S., Australasia, South Africa**

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“Due to the small size of the Irish refrigeration and air conditioning market it was necessary to rapidly become an international player.”

Dr. Lorcan J Maher

Lessons Learnt

It is feasible to leap-frog the domestic market and to successfully meet demand in foreign markets, in particular where legislative changes are driving that demand.

Enterprise Ireland has opened doors to new markets for Murco since its inception – “the contacts, financial supports and local market knowledge offered by Enterprise Ireland has been invaluable to Murco”

Two of the key requirements when negotiating an agreement is to address the issue of exclusivity for specific regions or sectors and the ownership of the product I.P. ; it's important to clarify these issues for both parties.

Background on the company

Murco Ltd was founded in 1993 by Dr. Lorcan J Maher, to meet the anticipated worldwide demand for refrigerant gas detectors. While safety is a key concern, market demand has grown significantly since the introduction of legislation across the globe that requires precautionary measures to be taken to reduce the leakage of refrigerants, as they cause damage to the ozone layer and contribute significantly to Global Warming.

Lorcan initially focussed on driving sales through trade distributors in foreign markets. Now he has put a variety of agreements in place with Original Equipment Manufacturers (OEM's) to leverage off the IP that Murco has developed. This has proven to be an efficient, cost-effective route to market.

Growing the Business

When the business was established, Murco manufactured and supplied gas monitors that were

mainly used for the detection of refrigerant gases used in refrigeration and Air Conditioning – typically in cold stores, food processing facilities and high-specification buildings such as offices, hotels and airports. Originally the technology was patented and sales were targeted through refrigeration and air conditioning wholesalers and equipment suppliers such as Mitsubishi, Daikin and more.

Lorcan Maher, Founder and Managing Director says, “Due to the small size of the Irish refrigeration and air conditioning market it was necessary to rapidly become an international player.” While many Irish businesses chose to target the local Irish and UK markets in order to grow organically, Lorcan looked to export markets straight away.

Having established a number of successful trade distribution agreements with key suppliers and contractors, Lorcan decided to target Original Equipment Manufacturers (OEM's) directly, as a new route to market. As there are just a few dominant players in each market, it is also highly cost-effective. . . “It was a perfect fit as manufacturers supplying refrigeration equipment should also be in a position to offer gas detection products – especially given that this is a legal requirement that the end-user has to meet. We negotiated Agreements where these manufacturers could use our I.P., training materials etc and brand and promote the units as their own. As it enhances their own credibility and sales, it made sense.”

Legal Considerations

Obviously while pricing is a key element of each Agreement, Lorcan has found that the three primary considerations that need careful negotiation include the ownership of the current and any future I.P., the need to clarify the geographical or sectoral boundaries that the Agreement covers and the need to clarify exclusivity if any within those boundaries. “From Murco's perspective we need to be able to target key players in each market,” Lorcan says, “therefore we have to clearly define the ground rules”. Finalising these agreements is one of the key challenges in securing new business. “Years ago there were many barriers to international trade – whether I went to Korea or France, I'd need to have a translator, not to mention all the European currencies, the diverse legislation etc. Now operating internationally is much easier – it's just the negotiation that can still be tough”.

Working with Enterprise Ireland

Lorcan has had a highly beneficial relationship with Enterprise Ireland over the years.

“I have been working with Enterprise Ireland and it’s precursors since 1975 - they have opened doors for me in markets across the world.” Murco has undertaken significant Research and Development over the last decade, with the help of Enterprise Ireland and working with P.E.I.

Technologies, based in D.C.U. The company now supplies gas detection units for a huge variety of gases and a range of clients worldwide. Last year it exceeded its sales and employment targets and sales are growing at a rate of 20% + per annum. Lorcan says “Recently we undertook an Environmentally Superior Product Study with the help of Enterprise Ireland and, since we operate in the environmental sector, that has been a great help to us from a marketing perspective – I would strongly recommend any business considering export markets to work closely with Enterprise Ireland”.