



BAXALL BARES ITS TEETH

BAXALL Australia is ramping up operations, hiring new staff and flexing significant operational muscle as it capitalizes on the strength of high tech parent, QRSciences.

Baxall Australia's recent growth has been turbo-charged, with projected earnings of \$A12 million this financial year and expectations around \$A17 million for 2008.

These numbers are far more impactful when you take into account Baxall Australia was only established as a direct seller and distributor of surveillance and monitoring equipment in Port Melbourne in March 2005 – just 2 year's ago.

The company benefits from a solid product lineup based largely on Baxall UK's catalogue but given the rapid technological shifts in the market and a tendency for buyers to either focus on a handful of flagship manufacturers or to bottom-feed on cheap imports, the local company's performance has been genuinely outstanding.

While there was an initial connection to Baxall UK, in June of 2006 Perth-based security detection systems manufacturer, QRSciences, announced its intention to acquire the business and key assets of Baxall Australia Pty Ltd from Baxall UK.

According to Baxall Australia's Paul Thompson, the acquisition is extremely beneficial to both QRS and Baxall Australia.

"The acquisition provides QRS with an established sales team as well as access to the vibrant and growing \$A750+ million per year Australian electronic security products market. It's a connection that has already provided Baxall with the funding and support to enable it to continue its already rapid growth in the Australian CCTV market," Thompson says.

The acquisition of the Baxall Australia distribution operation by QRSciences was completed in February 2007 and conclusion of the deal has seen the business rapidly emerge with a heightened and more aggressive approach to the market.

An example of Baxall's growing confidence is the establishment of a new Transmission Systems Division of Baxall Distribution. This division has been formed to provide focus and specialisation in the rapidly growing video and data networking and transmission market, and is headed by

national sales manager Michael Siccita. Along with Simon Vagg and Jourdan Garde, Siccita recently left Hills Transmissions Systems to help fast track the expansion of the new Baxall business division.

Baxall's rapid success has been fuelled in no small part by a committed team with many decades of local and international CCTV industry experience.

Riding on the back of this experience, Baxall's people have rapidly established a reputation for quality and reliability supplying products and systems to major clients.

"A cross-section of Baxall customers includes Department of Public Works and Corrective Services, NSW Roads and Traffic Authority, VIC Roads, Caltex, Westpac, Department of Education and Workplace Relations, The Federal Attorney

Generals Department, Parliament House Canberra, the Woolworths Group and Westfield Shopping Centres," says Thompson.

Though it's generally unappreciated in the market, QR Sciences Limited has the sort of technical prowess and business acumen needed to drive a profitable path through development of its various science and security operations.

In recent years the QRS Business Model has evolved from Direct Manufacture, Royalty and License Revenue and Contract R&D to include a number of complimentary acquisitions such as Spectrum San Diego and Baxall Distribution.

"This merging of complimentary business types brings significant benefits to both parties," says Thompson. "The strong QRS presence in key markets such as aviation, transport and military is already increasing market penetration of the video surveillance products represented by Baxall.

"And the distribution expertise and infrastructure gained in the acquisition of Baxall Australia has already resulted in the sale of QRS products to Baxall's Australian client base. Such ground-breaking products include the Spectrum SentryScope (reviewed by SE&N last issue) which is distributed in Australia by Baxall.

Since its opening, Baxall Australia has established operations in 4 states with office and warehouse facilities in the major Centres of Melbourne, Sydney, Brisbane and Perth. ▀▀▀

