

Risk PAYS off



START OF GLOBAL ENTERPRISE, WRITES ALEXANDRA ECONOMOU

AT BOOLEROO Centre, in the southern Flinders Ranges, the Kelly family quietly has built its agricultural machinery business into a multi-million dollar enterprise.

Kelly Engineering, which Peter Kelly started in a farm workshop on the family property 25 years ago, today is an award-winning manufacturer, exporting to the US and Europe.

Last year was stellar. The company was named the Telstra South Australian Business of the Year, won the national Telstra-MYOB Regional Business Award and took the title of Australia's Regional Exporter of the Year.

Despite the accolades, it is business as usual at Kelly Engineering's headquarters, 10km south of Boo-

leroo Centre. Chief executive Shane Kelly, Peter's son, manages a staff of 40 and oversees the manufacture of agricultural machinery. His showpiece is Kelly's Diamond Disc Chain Harrow. There are six models of the machine which mulches stubble and creates excellent seed beds, while reducing fuel use.

Shane Kelly says taking a major risk to break into the US market had been challenging but hugely rewarding. The first step saw Mr Kelly attend the World Agriculture Expo in Tulare, California, in February, 2006. "Austrade were instrumental in getting us there and they went out of their way to make sure we were introduced to the right people," he says.

The first US order was for two machines. In 2007, Kelly Engineer-

“AUSTRADE WENT OUT OF THEIR WAY TO MAKE SURE WE WERE INTRODUCED TO THE RIGHT PEOPLE

ing manufactured 30 Diamond Disc Chain Harrows for customers in the US and 70 for the domestic market.

The company faced a big hurdle when it patented the product. Mr Kelly says Texas-based Humdinger Equipment produced the "first copy" of the Disc Chain Harrow. "They had taken one of our machines down to Texas and in January, 2009, Humdinger had the first copy out in the field," he says. "They obviously had the confidence the changes made to their design weren't so (obvious) and they sold a reasonable number of machines. They were making sales based on being American. But it's a unique product and Humdinger was selling 10 a year and we were selling 80."

In the past two years, Europe has emerged as a key export market for Kelly Engineering. A Denmark-based company inquired about manufacturing the Diamond Disc Chain Harrow under licence. "Broadacre cropping is pretty common in Denmark," Mr Kelly says. "The really interesting thing about Danish farmers is the cost of land is so high they lease farms in the Ukraine, Poland, Czechoslovakia and Romania. In two years, they have produced 50 machines.

"I think (our success has come from) risk-taking and the domestic growth we achieved, especially at a time from 2008 when the rest of the world wasn't racing ahead," he says. "We try to present a professional face and a professional product to all our customers."

EXPERTISE:

Kelly Engineering chief executive Shane Kelly at his Booleroo Centre business.

Picture: NAOMI JELICCOE

The Partners of Cowell Clarke are pleased to announce the appointment of Julia Swift to Senior Associate.



Julia Swift
Senior Associate
Employment
Commercial Litigation
Dispute Resolution


Cowell Clarke
Commercial Lawyers

Cowell Clarke Commercial Lawyers
Level 5, 63 Pirie Street
Adelaide, South Australia 5000
Telephone 08 8228 1111
www.cowellclarke.com.au