



HUGH GRAHAM
INVERCLYDE BIOLOGICALS

SECTOR: HEALTHCARE



Starting out part-time, Hugh Graham's business had become an industry leader. But after 30 years at it he was beginning to feel the strain of the industry demands. He tells how he sold up, walked away from his company, and got into something completely new.

Hugh Graham flicks the computer on, and checks his daily trades on the world's foreign exchange markets.

"We've been doing it for a year or so, but you have got to be careful," the amiable 77 year old enthuses. "It's a very complex business."

It's big business too. Around £3bn (\$5trn) changes hands every day worldwide, and in the UK, an estimated 81,000 ordinary traders trade on the forex markets daily. And in a low interest environment it is growing – the average returns of 1-10% a month make it an attractive asset class.

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COMPANY NAME
INVERCLYDE BIOLOGICALS

LOCATION
MOTHERWELL, UK

FOUNDED
1983

BUSINESS ACTIVITY
BLOOD DIAGNOSTICS MANUFACTURER
AND DISTRIBUTOR

SOLD
MAY 2013

REASON FOR SALE
RETIREMENT/LIFESTYLE CHANGE

ACQUIRER
SOURCE BIOSCIENCE

bcms

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WE SET THE
INDUSTRY
STANDARD, BUT
I WAS TIRING OF
THE INDUSTRY
DEMANDS.

But after 50 years in haematology – including 20 years manufacturing blood banking and tissue reagent products alongside his daughter Fiona – Hugh and Fiona were seeking a fresh challenge.

THE EARLY YEARS

Hugh's journey into entrepreneurship was unconventional.

"I was a biomedical scientist, and I spent most of my life in laboratories working on obstetrics for the National Health Service (NHS) in Bellshill," he recalls.

"Two of my friends had businesses of their own and they intrigued me. I wondered if I could find a niche, preferably something related to the lab work where I had considerable expertise."

In 1983 – the same year as the HIV virus was formally identified – Hugh set up Inverclyde Biologicals to develop and sell blood grouping products and consumables.

"At that time, I didn't think it would become full-time, but after my daughter joined in 1986, she drove the business forward, and it blossomed."

BLOOD, SWEAT BUT NO TEARS

Hugh and Fiona worked on developing new products, and soon began supplying the NHS' Blood Transfusion and Tissue Services – perhaps the toughest customer in the industry.

Hugh says: "It's a highly regulated industry, and the blood transfusion scientific staff quarantine all their supplies until they have had them fully checked for quality. This became a barrier to others, as there were so many regulations to comply with, so it worked out well for us."

"It was a great feeling to be doing well financially, but also to be recognised in the sector. Eventually, the way we were doing things became the industry standard across the EU."

In 1995, Hugh finally left his NHS position and joined Fiona full-time at Inverclyde.

"Fiona took care of the business side, and I did all the scientific side," he explains.

Over the following decade, the market accelerated and with lucrative opportunities emerging outside the UK.

"We expanded from blood products to tissue products, and it was quite demanding. You have to keep developing all the time, and I was beginning to tire of the commercial creative demands. I no longer had the energy to drive the company outside the UK, which had to happen."

With a leading position in the NHS supply chain, and its own range of specialised products, Inverclyde received an unsolicited offer out of the blue in 2008. But the potential acquirer withdrew as the financial crisis deepened in the UK.

Hugh recalls: "We weren't too bothered to be honest. We didn't need to sell at the time, so we just carried on."

LEAVING IT ALL BEHIND

By 2012, Fiona and Hugh began thinking more seriously about an exit, and appointed BCMS to market Inverclyde, after attending a BCMS seminar. When asked what drew them to BCMS, Hugh replies: "We wanted someone who could sell a scientific business such as ours, and who had a good track record of selling niche businesses. We felt that BCMS had that experience, and that clinched it for us."

Both Hugh and Fiona thoroughly enjoyed the sale process, particularly the meetings with interested parties. As Hugh reminisces: "Everyone was very polite and helpful, and the companies we spoke to had done their homework. But I would not like to have gone into that without someone who knew what it was all about."

The response was encouraging, and Inverclyde was sold to Source Bioscience – an acquisitive healthcare group based in Nottingham in 2013 – 15 months after signing up with BCMS.

"I stayed for six months, and I was relieved to sell. I had no more energy or ideas. Fiona stayed for a year and then decided to exit too."

"I bought an aeroplane and did a bit of flying. None of the rest of my family will step inside an aeroplane apart from my 14-year-old grandson, who enjoys flying with me!"

But as with nearly all entrepreneurs with time on their hands, Fiona and Hugh soon found themselves teaming up again for a new side-project.

"Fiona and I went to an event in Edinburgh to find out about currency trading, and we were both very intrigued."

"Before that we wanted to buy an art gallery," he laughs, "but we ended up as currency traders!"



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