

## Let others foot the downturn's bill

Having established his orthotics firm as an international market leader, Travis McDonough believes the downturn will present opportunities to canny firms, writes **Connie O'Toole**

**O**pportunities for expansion exist in markets beyond Ireland, but companies must first ready themselves to take on the challenge, according to Travis McDonough, managing director of The Orthotic Group (TOG) International.

"We have found growth by moving into the Scandinavian market," said McDonough. "But, during these difficult times, you do self-reflect and look at the innards of the company to see what fat can be cut out and what inefficiencies can be reduced."

A volume-based business, TOG offers an all-in-one orthotic diagnostic and treatment service. As consumers continue to tighten their belts, McDonough said market awareness would become an increasingly important tool for many companies in Ireland.

"We are finalising a deal with the largest pharmacy chain in Ireland which will allow our product to be distributed through chartered physiotherapists in this chain of retail outlets," he said.

"We would not have come across this opportunity to sell more of our product had we not been faced with the difficulties of the current economic climate. People are spending less, so we need to give people more exposure to our product."

Achieving growth is, McDonough said, nigh on impossible for companies that continue to operate as they did in times of economic growth. "Companies need to think outside the box, explore other opportunities and follow those paths," he said.

When the economy begins to pick up again, McDonough believes that the companies that have survived to see the upturn will be stronger for the experience.

"Every week, we are going further and further into the recession. Only the strong will sur-



Travis McDonough, managing director, The Orthotic Group (TOG), champion boxer Katie Taylor and Mike Crowley, financial director, TOG

vive and only those companies that have reassessed and restructured will be the better for it when they come out the other side," he said.

In the changing environment, McDonough said it was vital that companies look after their core business clients.

"It is essential to focus, promote, enhance and maintain relationships with the core clients who brought us to where we are today and who are doing business with us today," he said.

Reducing capital expenditure, above all, is essential to ensure survival. "The extra spending that might have reaped rewards during the good times must be cut out," said McDonough.

"Capital spending on experimental projects, where there is no certainty at all of making revenue, is not the way to go."

The unwillingness of banks to lend money is a big problem for small business in Ireland, resulting in stagnation for many companies, McDonough said.

"TOG International is trying to avoid this stagnation by innovating, diversifying and thinking outside the box."

"It is such a different time

now [compared] to even 12 months ago. It is so much more difficult for companies with a vision and an appetite for investing in a new element of their business to get money to do this."

McDonough expects oil prices to fall further due to the strengthening of the US dollar. "This will create stability on the street and hopefully, an opening up again of the consumer's wallet," he said.

When McDonough – a qualified chiropractor – arrived in Ireland in 1998, he opened up a chain of chiropractic clinics. From his experience, he realised that many of the back, hip and knee pain he treated was, in fact, down to an underlying problem with feet.

"I undertook research, which showed that the foot had a massive impact on the integrity of other joints," he said. "I outsourced the development of a diagnostic piece of equipment that could show patients tangible evidence that their feet were negatively impacting on the rest of their joints."

This piece of equipment, which is essentially a large com-

puter chip that the patient walks across, was a breakthrough for McDonough, as it offered an objective diagnosis to the patient.

"I started out with one of these diagnostic plates in one clinic and progressed to running eight of these clinics in the west of Ireland," he said.

In 2003, McDonough set up TOG International to combine the production of the diagnostic plates with orthotic insoles. The company began selling the technology and the orthotics to clinics in Ireland and Britain.

It now has over 500 practices in Europe prescribing its orthotics to patients. Each individual orthotic prescription is manufactured by TOG Orthotics International and McDonough owns the rights to the technology in Europe.

"It is a growing business," he said. "In Canada, 18 to 22 per cent of the population currently wear custom-made orthotics."

"In the EU, the figure is between 02 and 05 per cent. The potential for growth there is huge. In a day, an average person will put 500,000 kilograms of pressure through their foot and in their lifetime, they will walk

four times around the Earth's circumference."

The business is two-pronged, involving the sale of the diagnostic plate or pad technology, and the sale of the orthotic.

"The selling of the orthotic is the most important part of the business," McDonough said. "We have 60,000 people in Ireland and the UK alone who have bought our orthotics."

TOG Orthotics International recently purchased Scandinavian company Ortho-Step Europe, taking over its client base in Sweden, Denmark and Norway.

"The Scandinavian market is very health conscious and, like the Canadian market, is also 'preventive medicine' oriented," said McDonough.

"One of the key elements of the success and growth of our business is getting our products exposed to the orthopaedic, sports medicine communities."

The business also sells to the sporting profession and has agreements in place with eight British Premier League teams, PGA golfers, the Irish rugby team and several GAA players. "Our system prevents injury

*'Every week, we are going further and further into the recession... only those companies that have reassessed and restructured will be the better for it when they come out the other side'*

and enhances performance because it improves the foot's ability to spring forward and therefore, improves agility and speed," McDonough said.

The company is headquartered in Ennis, Co Clare, where it recently opened a new purpose-built facility.

TOG Orthotics International's products are available only on prescription from a healthcare professional qualified in bio-mechanical medicine. This includes chartered physiotherapists, chiropractors, osteopaths, podiatrists, chiropodists, orthopaedic surgeons and neurologists.

"They assess and prescribe the devices to patients. The patient's prescription is then sent to our laboratory for the manufacture of the orthotic," said McDonough.

"Our challenge is two-fold. Firstly, to get more systems to practitioners and, secondly, to increase the knowledge of the population about why foot integrity is so important for someone's overall health," said McDonough.

McDonough is positive about the future of company. "Instead of just focusing exclusively on independent, private physiotherapists, we are going after the likes of the BUPA/SPIRE healthcare networks," he said.

"It is the second-largest private healthcare hospital chain in the UK, with approximately 50 hospitals. We have done a deal with it and it received the first shipment of one of our systems just over two months ago."

Advances in science will also, he added, support the future growth of the company. "Science over the last ten years has emerged and conclusively supports looking at the foot to deal with the root causes of joint pain," said McDonough.