

## FAST GROWING AUSTRALIANS: GroundProbe

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IN THE year in which it was recognised as an Australian export success story and one of the country's fastest growing SMEs, Brisbane-based Intellection went into administration. Directly across the Brisbane River another rapidly growing local mining technology company was battering down the hatches. But not for long.

GroundProbe "adapted its strategy", according to its global marketing manager Lorraine Elsmore, and weathered the most severe mine spending shutdown the industry has seen – certainly in GroundProbe's near 10 year existence – in the first half of calendar 2009.

The story of CSIRO spin-off Intellection's demise has been well told in *HighGrade* (see February 2, 2009 edition), but in essence orders for its QEMSEM mineral analysis machines dried up as the global financial crisis took hold in the second half of 2008 and the company's fortunes quickly nosedived. It was quickly bought out of administration by American instrumentation group FEI Company for a pittance.

Intellection made the leap from Australia's lively mining R&D nursery into the corporate world in 2003 after QEMSEM had been 20 years in development.

Formed as a spin-off from the The University of Queensland in 2001, GroundProbe made a similar transition to commercial maturity in 2003 when venture capitalists backed founder David Noon's technology, the openpit mine Slope Stability Radar (SSR), and business plan. Current CEO Lyle Bruce, the former head of MIM's process technology arm (now Xstrata Technology), was appointed to lead the management team and GroundProbe turned early demonstration events in Australia into wider domestic and offshore interest and sales.

By 2005-06 the company was turning over nearly \$A19 million a year and at that stage Noon and Bruce had an ambition to double the size of GroundProbe through organic growth and acquisitions. Last fiscal year the company posted revenue of \$A42.98 million, up nearly 35% on FY08, while its workforce expanded by more than a third to 165 people.

Apart from the SSR, the first commercial real-time monitoring system able to provide broad area coverage of slope movements in opencut mines – a vital early warning system in many large pits, GroundProbe has expanded the Geoforce geophysical services business it acquired in mid-2008 and broadened its product base through development of GeoSeer geotechnical software and PitPod mobile communication and alarming platforms (linked to SSRs).

When many mines put the expenditure shutters down late in 2008 and in the first half of last year, leaving supply companies out in the cold, GroundProbe was shipping equipment to the USA, Chile, South Africa, Papua New Guinea, Indonesia and India.

“In the last four years GroundProbe has tripled its international presence,” Elsmore said.

“In 2005 the company had 20 SSR systems deployed in six countries (including Australia). Today we have over 90 units in 16 countries. GroundProbe is the market leader in radar technology in opencut pits with 80% market share.”

Apart from its Australian offices in Brisbane and Perth, GroundProbe has a subsidiary in Chile (established in 2006) with the Santiago office generating a third of the company’s export business.

Helping mining customers get more payable ore out of deeper pits with steeper slopes, safely, is GroundProbe’s calling card, but Elsmore said during the economic downturn mining companies dodged large capital investments.

“To avoid losing export opportunities we had to be flexible, hence we offered alternatives to purchases [such as] short-term leases as well as lease-to-own contracts,” she said.

“This way we were able to structure revenue coming from multiple streams. GroundProbe was flexible enough to respond to the market needs and did so in a timely manner.

“Profits for the 2008-09 fiscal year were higher than anticipated and continued the upward trend seen by the company over recent years, despite the global downturn, paving the way for sustainable growth.”

The leasing was a throwback to 2003 when GroundProbe secured its first significant lease contract with a big Australian mining company.

It hasn’t lost its footing since.