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NICHE WORK IF YOU CAN GET IT

Doing other people's dirty work has become a sure way to make a buck for these Fast Starters newcomers.

Report: **Gina McColl**

Jim Noort hired a portable toilet for the builders constructing his family home in Brisbane and was revolted by what was delivered. He got angry, then he got even: the mechanical engineer started renting his own "dunnies with dignity".

Three-and-a half years later, the business has 50—70 per cent of Queensland's residential small builders as clients and has expanded into Victoria. Revenge smells sweet.

After a bad experience with a business, most people simply take their business elsewhere or, if they have the energy, write a letter of complaint. Successful entrepreneurs, however, are not most people. They see an unmet demand - and an opportunity to make a lot of money.

Noort was running a patent search firm and working in invention commercialisation when he had his brainwave to get into the portable-toilet business. This commercial nous, combined with his engineering training, has been essential to his success.

He started in 2006 with a "very old truck", for which he built his own vacuum-pump system. He bought eight toilets from the United States that were roomier and more comfortable than the local standard steel "hot boxes", and which had fixtures including mirrors and soap dispensers.

In an industry in which it was standard to clean monthly, Noort began cold calling builders to pitch his main business difference: a weekly or fortnightly assiduous clean, including emptying of the odour-generating waste tank, irrespective of how full it was. The industry-standard was a monthly good-enough clean. "Nearly all, of course, said yes," Noort recalls. Within a year, he had 140 toilets on rent, and hired his first employee.

Viking Rentals dominates the "Joe Builder" market in Queensland and its Victorian expansion, launched nine months ago, is growing by 15-20 per cent a month. Adelaide and New South Wales

are his next targets.

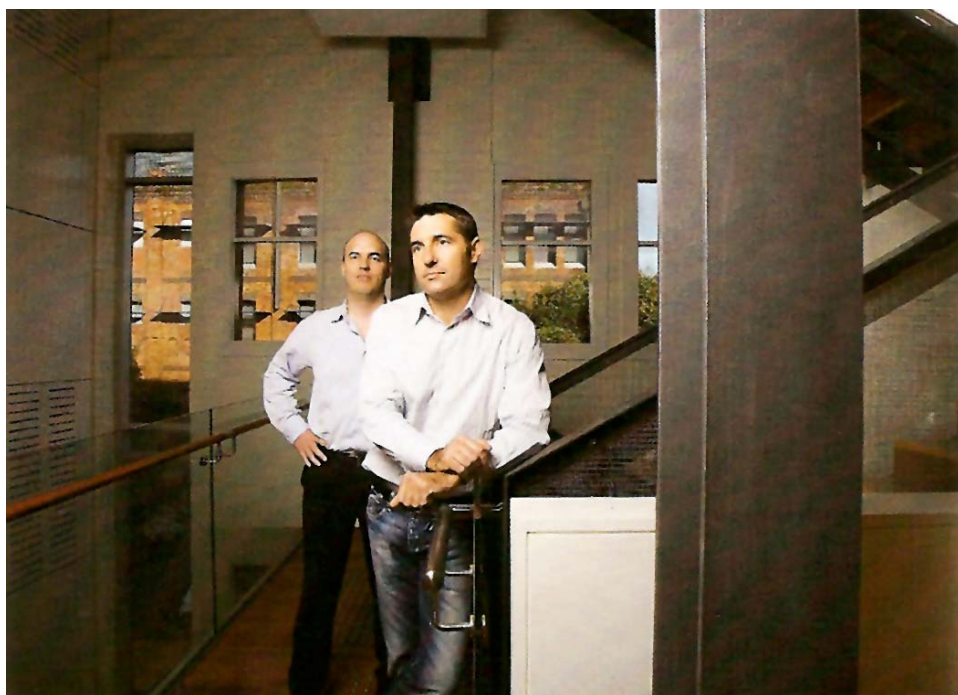
Noort now has 2500 portable toilets and 20 staff, all of whom are passionate about clean loos and have heard every Kenny joke in the book. "'Hey Kenny', and 'That's a shit job, Kenny' - the drivers cop it all the time, every site," Noort says.

The company has some commercial customers, but is not aiming at the larger construction sites, which have sewerer amenities, or project-home builders, where decisions are made based entirely on price and "the guy who orders it is on the 12th floor of an office in the city and never has to use it".

"Where the guy writing the cheque is the guy using the toilet," is how Noort describes his market. "We've got that market wrapped up. We've changed the way the industry operates and what builders expect."

Gizmo founders Brett Chenoweth and Danny Gilligan are also coining it doing jobs most people are delighted to

Technology talks: Gizmo founders Danny Gilligan, left, and Brett Chenoweth



handball.

Their brainchild came about while they were setting up an investment company and wasting a lot of time getting their office equipment connected, configured and compatible. It's a common and maddening problem - so Gizmo, which helps consumers and small business with their technology problems, was born.

With backgrounds in telecommunications, media and corporate finance, Chenoweth and Gilligan were conscious of how increasing convergence and complexity made the uptake of new technology a misery for many consumers.

Gizmo contracted market research that showed 77 per cent of Australian households have more than eight digital devices (computers, mobile phones, cameras, televisions, printers) that require linking, most made by different manufacturers. What's more, consumers were only using about 25 per cent of the capability of these devices. In short, there was a huge untapped demand.

Much like the Jim's Mowing franchise during the 1990s, the challenge was to take an underdeveloped cottage industry of one-person local businesses and create a national brand.

Gizmo offers a menu of fixed prices for various installation, upgrade or remedial work, over the phone, online or in person. Staff wear bright, identifiable uniforms, drive branded cars and undergo rigorous, continual training — all designed to ensure consistency and reliability, and instil trust.

One of a fledgling compa.ny's biggest challenges is how to build a national marketing campaign. Gizmo's strategy from the beginning was to partner with reputable companies that could spur its sales and marketing. These partners include Microsoft, Dell, Harvey Norman and JB Hi-Fi.

Go into a JB Hi-Fi and buy a computer, for example, and the sales

assistant will ask if you want someone from Gizmo to come and install it. If you have a problem with your Dell laptop after the warranty has expired, Dell will recommend you call Gizmo. It's a cost-effective way to acquire customers and build a national brand.

Since starting in 2005, the company has grown 200-300 per cent year-on-year, and expanded from 12 to 180 staff, 90 per cent of whom are technicians. Now in every capital city Gizmo's next plan is to expand to large regional centres.

Chenoweth's advice to other entrepreneurs is twofold: know that everything will take twice as long and cost twice as much as you think; and raise as much capital as you can as early as possible.

"Lots of people don't want to dilute their equity too early; but it's really important to execute your business plan," he says. "Any opportunity you get to raise capital, do it. You can always give it back to shareholders."

It was a different kind of frustration

that gave Jo Karabin the idea for her business, PASH Australia. She recalls sitting around with girlfriends — "kind of a Sex and the City scenario" - lamenting the way adult products (lingerie, body products, novelty items and sex toys) were marketed in Australia: sleazy sex shops in red-light districts such as Sydney's King's Cross, tacky packaging - nothing like in the United Kingdom, where Karabin had worked as a nurse before moving into public relations.

Overseas, brands such as Agent Provocateur and Myla have established themselves during the past decade as upmarket suppliers of goods such as \$300 bras and sex toys by designers including Tom Dixon and Marc Newson. Even upmarket emporium Selfridges has Agent Provocateur concession stores.

Along with co-founder Nigel Cheek (and two other business partners, since departed) Karabin wanted to launch a brand that chimed with this burlesque rather than pornographic consumer demand, with a range of female-focused

Toys of Trade:
PASH Australia
co-founder Jo Karabin



products that were “all about making women feel fabulous”, Karabin says.

Market research indicates the best way to take it to market was direct selling through parties. It gave the brand an advantage over stand-alone e-tailers - customers can't feel, smell or try on a product online. It also helped establish the brand as almost "a secret women's business", she says.

Since starting with about 50 consultants in 2005, the company has grown to 700 consultants. They host 4000 to 4500 parties a year, each of which creates two or three leads for other parties, and averages sales valued at \$700. Some parties sell more than \$5000 of goods.

Are these parties very big or very drunk? Neither, Karabin says. It's a sign of the pent-up demand. “Women wanted to look and buy but didn't know where to go.”

This feverish demand came with its own problems as the business grew so fast it was hard for its systems and processes to keep up. The business effectively doubled in size over a couple of months in 2007-08 - turnover growth figure for the year was 62 per cent, the company says - and this year Karabin and Cheek have concentrated on consolidating and hired experts in direct selling and operations to help them improve their efficiency.

Despite the retro pin-up-girl logo and cutesy pink uniforms, the biggest challenge is the persistent image of the adult industry. Karabin denies that PASH is part of the pervasive “raunch culture” that encourages the constant sexual objectification of women. It's more about self-empowerment and sensuality rather than sexuality, she says, and envisages PASH's future as the Tupperware or Nutrimetics of female lifestyle brands.

“I've got a big job to do in changing the paradigm, changing the way people think,” Karabin says. “PASH is leading

the way- it's part of our lifestyle, not embarrassing or dirty.”

Books Onsite founder Tim Johnston is almost an accidental entrepreneur. The former financial controller for a big listed engineering company quit the corporate world seven years ago. “I got sick of working until 3am,” he says. So he hung out his shingle as a certified practising accountant and did the usual run-of-the-mill tax jobs with a bit of bookkeeping advice.

Gradually, he noticed a considerable niche that wasn't being serviced: the myriad small businesses with book-keeping needs that were not big or sophisticated enough to require hiring a full-time accountant, and which needed regular onsite help to manage their cash flow and accounts. The big firms weren't interested, and there were plenty of small traders, but no one doing it really professionally, Johnston says.

Books Onsite was founded in 2006 with three staff. New customers would get their books and systems reviewed by Johnston, a CPA, then one of two bookkeepers would maintain the business after that. The company payroll has since grown to 45, and revenue in 2007-08 grew more than 2000 per cent to \$10.75 million.

The biggest challenge, Johnston says, has been controlling the growth and maintaining quality - and the key to that has been good staff. “A lot of people say the client comes first, but for me it's staff first and clients second.” Clients may not like to hear this but they should, Johnston says, because good staff lead to great service, which leads to happy customers.

Johnston has so far resisted franchising the business, unlike competitors including Ledgers Bookkeeping and Express Bookkeeping “It's great for rapid growth, but whether you can retain quality, I'm not sure,” he says.

The economic downturn has, paradoxically, been a help to Books Onsite. Outsourced services are more in demand than ever and great staff are much easier to attract and retain, Johnston says. “The toughest thing now is who not to employ, there are so many good applicants out there.” BRW