

# Talking Business

with PETER SWITZER



## January 2009

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## Philip Noonan

is the Director General of IP Australia, he points out the intricacies and pitfalls behind Intellectual Property, in particular for those looking to move into China and India.

[www.ipaustralia.gov.au](http://www.ipaustralia.gov.au)

**PS** On *Talking Business* I'm now with the Director General of IP Australia, Philip Noonan. IP Australia is the Federal Government Agency responsible for administrative patents, trademarks, designs and somewhat interestingly, plant breeders rights. In a time when Australia's economic future is heavily dependent on capturing the benefits of increased innovation and creativity, IP Australia is charged with the role of providing a strong intellectual property system which promotes innovation, investment and trade. Philip will be discussing some of the intricacies behind intellectual property, in particular for those looking to move into an emerging market such as China and India.

Thanks for joining us on *Talking Business* Philip.

**PN** Nice to be here Peter.

**PS** Why don't you give us a bit of an explanation of your background before we start delving into IP Australia?

**PN** Well, I started my career in the Federal Attorney General's Department as a lawyer. In fact, I started work in the copyright area but then moved off into various non-IP areas, particularly company law and, many years later after working in AG's and the industry department, the job at IP Australia came up. I thought it was a great opportunity because it combined my legal background, the complex laws that are administered, together with some management of a big organisation, which I was very interested in, but also the policy aspects of how to work this system for the best interests of Australian businesses.

**PS** And it's actually an exciting arm of business, a bit like Austrade and promoting small businesses, big businesses and exports. You guys are right in there with innovative, creative, Aussie businesses, aren't you?

**PN** Absolutely, but I think most people who work there are excited by the things that we do. For example, *Gardasil* is an Australian invention that's been in the news a lot lately, and the first time that appeared outside the laboratory was to the patent application way back in 1992, which came into the office

**Philip Noonan**

that I ran, and now it's an invention out there that is saving hundreds of thousands of lives, according to the experts.

**PS** Yeah, that's absolutely fantastic. Now, if someone actually has got an idea that has become an invention, something which is nearly commercially ready, should they go to IP Australia and say, 'Look, tell us what I should be doing', or is there a better path to tread down first?

**PN** Well, it depends a little what stage they're up to. If they've worked it up to a commercial level then they're probably ready. If it's an invention or patent attorney, now they may not have done that before, and our website contains lists of patent attorneys that they can go to, including ones that offer services overseas if they think the overseas market was a particular angle for them. If it's more at a stage where they've had the idea and they're not quite sure what to do with it, then our website also gives them basic information about what is a patent and how you go about applying for it. But they also need to watch out a little for giving away the idea before they've actually had it protected, so the systems that we run give protection after the invention has been registered with us. They need to be careful, let's say in briefing a potential financier, that they've got a confidentiality agreement in place and that they don't find that they've actually given away the invention without getting the finance to back it.

**PS** So, I presume your website actually has some advice about what the precautions you should take when you're in this sort of developmental stage, and you seek information and possibly even seek money?

**PN** Absolutely. I think it's a fairly easy to use website and is organised so you get the very basic information, and also a bit more sophisticated information, such as; who to go to for further advice and if there's something that's unclear. We also run a call centre which take 150 thousand phone calls a year, and they're people who are designed to put people in contact with a little bit more expertise, or something to clarify what's on the website. And of course, if you're not a tech focused person, hardcopy publications are available too.

**Philip Noonan**

**PS** That's comforting to know, mate. Now, we're talking to Philip Noonan who is the Director General of IP Australia. Now, let's talk about ideas that could go to China and India, do we have problems with the respecting of the rights in regards to intellectual property?

**PN** Look, I think the challenge in developing countries can always be the enforcement of IP laws. For myself, I'm a little bit more optimistic than others. Yes, enforcement is a big issue but I think particularly in the case of China, China's economy is developing to the point where the IP that Chinese people are developing is such that they see a need to participate in the global system, so as to protect IP that comes out of China. Although I don't want to paint a rosy picture, it's something that people need to think through carefully and have strategies to protect their IP within China. I think it's not all *doom and gloom* and certainly I wouldn't suggest that somebody rule out a big market like China just because there are challenges involved, particularly in protecting your IP there.

**PS** I guess, when I think about people and their ideas and getting protection, and all those sort of matters, you've got two sort of people. The people who go too long in getting protection and pay a lot of money and may well not get the result they want. The flipside are the people who are complete scabs, who then learn to regret the fact that they haven't [got protection]. What advice do you give to people so they tread down the right path for the right level of protection, we're not over and over investment?

**PN Well** I think some of the ways in which you can do that, and perhaps turning to the trademarks areas, which is an example where people sometimes register a lot of trademarks and then don't use them or try to register them. We offer a service called Trademark Head Start where, if you've got a name and you think it might be a good mark, you can put in a preliminary application – costs you \$90 to do that, and for \$90 you get somebody to do a search for you and then to ring you up and to tell you, 'No, we don't think this would be a good idea because Coca Cola has already been registered', or alternatively, 'Yes, this looks like it could

**Philip  
Noonan**

be a goer, so go ahead'. Of course, we can't, ourselves, give commercial advice about how you go about making money out of this, but from the website you can get plenty of pointers and directions of people who can help you there.

**PS** My experience is that sometimes we come up with great ideas... I get my son, who's our IT guy, to go and do it and it's fantastic, but we often get that Little Brittan answer 'Computer Says No'. The thing is that something's are so universal, they might be a word that everyone uses that's really difficult to lock up, something like that, isn't it?

**PN** It is, if you're just coming cold to a fairly common word, but it is possible if you can show that you've used a phrase and earned a reputation, you can get some reasonably common and catchy phrases. For example, Boost Juice is a very successful IP user within Australia and they have got 90 trademarks registered and operate of course in 58 countries, even though they only started in 2000. There's a company that's really got its IP strategy focused. Now, some of their markers that they've registered are Slimmers Boost and Gym Junkie Boost and Boost Teas, so you can see that's not just picking up the original idea but taking it in new directions. And even though they're not phrases that are rocket science to think of them up but they, nevertheless, have been able to get registered trademarks because of the goodwill that they established in their brand by working hard over it, but only over a few years.

**PS** Philip, I'm still trying to work out why you knocked me back on the trademark for Switzerland. I've been Switzer for such a long time. Now mate, we are running out of time, tell us the website if people want to know more about what you guys do?

**PN** [www.ipaustralia.gov.au](http://www.ipaustralia.gov.au).

**PS** Well, I've got to say, my experience with you guys... you're a fantastic, helpful organisation and you've helped a lot of great businesses in Australia. Thanks for joining us on *Talking Business*.

**PN** Thanks a lot Peter.

## Bill Gillespie

is the General Manager of the world famous ACO (Australian Chamber Orchestra) and he talks about the unique challenges of managing a non-traditional arts business.

[www.aco.com.au](http://www.aco.com.au)

**PS** My next guest on *Talking Business* is Bill Gillespie who is the General Manager of the Australian Chamber Orchestra, and he'll talk to us about managing a non-traditional business in these challenging economic times.

Thanks for joining us on *Talking Business* Bill.

**BG** Thank you Peter.

**PS** Why don't you tell us your background first before we start talking about the non-traditional business you manage?

**BG** Right, well I started my career in America as a young university graduate and got into the arts at about age 25. After two or three years in, sort of, entry level positions at an opera company, I decided to make it a career and went off and got a masters in business, and MBA in California UCLA Business School, which is a very fine school. They were offering quite a unique degree, it's an MBA in Not for Profit Arts Management. So you went through the full fundamental business school courses and units, but you also had about five or six specialised units within the program and you were also seconded for 6 months full-time to an arts company. I was sent to the Lyric Opera Of Chicago where I had a chance to work with people like Pavarotti, and others of that stature, for 6 months full-time in the marketing and general administration area, so that really boosted my expertise, experience and confidence. I came back and then started right back into the industry, and I've been in it ever since.

**PS** It sounds like the sort of job that people would pay to actually do, to be in that sort of company to be learning at the same time. And I guess in some of the worst jobs you had to do overtime by going to opening nights with Pavarotti and things like that. [Laughter]

**BG** Exactly. Well I do have subscribers coming out of our concerts in Australia saying, 'Gee, you must have the best job in the country because you get paid to attend ACO concerts', there's obviously a great excitement and pride to it but it is a 24/7 job. We have many, many, evening concerts throughout the year, and it's not a job where you

**Bill  
Gillespie**

can just disappear out of the office at 5pm and come back later and everything's right, you've got to keep up with it.

**PS** And the numbers are quite challenging, it's not a licence to print money even when you are running a very good arts business...?

**BG** That's right. The arts are in some ways very inefficient in the way that they operate. It's a very labour intensive industry, we have a lot of overheads and you have a lot of fixed costs, and a lot of what you do is really not within your control. We're talking about a lot of travel for this orchestra, we have a fantastic relationship with Qantas where we do have to go on about 60 odd flights a year, so an orchestra of about 20, with myself and the orchestra manager along as well or maybe a bigger orchestra than that, and you're talking internationally and domestic... We're servicing eight cities in Australia on subscriptions, so it's a very big logistical effort. When you're paying airfares and fuel charges and hotels, then fees and wages and so on, it is a very, very, big expense in terms of your call centres.

**PS** The only aspect to this that I think I have no sympathy for you whatsoever, is that you can listen to me all the time when you are travelling around which improves your business acumen every time. We're talking to Bill Gillespie the General Manager of the Australian Chamber Orchestra. Why don't you tell us about that business, when you came to it and what the business is like right now?

**BG** Okay, I became a General Manger of the Australian Chamber Orchestra about six and a half years ago. The company was about 25 years old, it's just celebrated its 31st year this year so it is what you'd call a mature arts company, it's been around quite a long time. On the other hand, it had had some problems, some ups and down. I walked into a situation where the company was in deficit and we were able to trade the company out of deficit. They have a fantastic Board, a really good team and great staff, and of course the brand I think you could say of the Orchestra is just second to none, it is one of the most renowned

**Bill  
Gillespie**

arts companies in Australia and it's certainly, I think in all modesty, a world class company so that at a quality of its performances the standard of what it does day after day around the country and around the world, in places like Vienna and New York and Paris and so on, just makes it so much easier to market and promote, to get audiences along and to get good corporate sponsorship as well.

**PS** So, corporate sponsorships, that's been really important for arts businesses over the last 10-20 years. Are you a little bit worried about what we're seeing going on in stock markets at the moment, in terms of you're going to have to do the pitch, it's going to probably be harder. What's your feeling about the year ahead for you?

**BG** I think everybody in the arts at this point in Australia is quite concerned about the economic downturn and the credit crisis. On the other hand, I think arts companies that have a good product, a good brand, have a good reach, really have an opportunity to have a good solid long-term relationship with companies. We're quietly confident that we can continue to have good sponsorships and good years and bad, I think corporations obviously know that there are good years and bad as well, and I think they look at the long term generally speaking. We have had some absolutely unbelievable solid sponsorships over many, many, years. For instance, the Commonwealth Bank has been with us 20 years, IBM has been with us 27 years, there are four or five other companies I could mention which have been with us for 10, 12, 15, years each, but we also have some younger sponsorships. So we do have a variety of those kinds of sponsorships but, by and large, we don't take anything for granted. I think there's no doubt that we probably put more staff and input into those sponsorships in terms of servicing them, and yet the return we get is actually much higher than what it is across the industry as a whole.

**PS** I guess this is a question that you would be thinking all the time as a person who's trained in business as well as the arts... Do you think that the market we have there for your kind of musical product hasn't really even been tapped yet?

**Bill  
Gillespie**

Because there's like a loyal group of people who will turn up all the time, but when I know I was first invited along to hear how great the orchestra is, I thought how good is this, and how long has this been going on for, and I sometimes wonder if you could get into, say, like Western suburbs of Sydney locations and let people see how great it is. You must be thinking about that sort of thing, but of course the actual dynamics of doing it are quite challenging?

**BG** Right, it's a great question. I think the ACO itself, because we service Aid subscription markets in Australian places like Perth, Adelaide, Canberra and Melbourne etc, not just Sydney, and also Wollongong and Newcastle in New South Wales, we have a commitment to travel throughout the year in Australia and also some overseas performances on tours and festival tours and things. We just don't actually have the time to do much more than we do, we're doing about 90 to 100 concerts a year for the public, in Australia and overseas, and when you add the travel time, the rehearsal time, special events we do from time to time, fundraising which we have to do a lot of ourselves, for ourselves, it really makes it very hard to add for opportunities for people to hear us live. We have a very strong attendance base, we probably reached between 90,000 and 100,000 Australians a year in live performance, and for a Chamber Orchestra that is really a pretty fantastic outcome. I mean, that is a lot of tickets, we're selling \$5 million worth of tickets a year in Australia, it's budget is about \$10 million turn over, about 20 percent from corporate support and public donations and patronage, and about 20 percent from government, maybe 19 percent, and then the rest is raised through ticket sales. So it is a very healthy mix, we're not a company that is majority funded by the government, we are very pleased with the amount of money we have received, it really makes the difference, but, you know, we do have our own stockholders that we need to deal with, as well as government.

**PS** Has the age of the internet actually helped you extend your reach into the market?

**Bill  
Gillespie**

**BG** Well it has helped an awful lot. We have many ways in which the internet helps us. We have, I think, a good website, we sell merchandise, we renew people's ticket subscriptions online now, we can reach our audiences through newsletters, e-newsletters that way without doing as much printing. We also have occasionally streamed video product or audio product through the internet, and we're looking to do more of that, so that's definitely the way of the future. We have a number of DVDs and CDs out, and we can continue with that kind of thing as well.

**PS** Alright Bill, so if people want to go and see what you're doing, what's the website?

**BG** It's [www.aco.com.au](http://www.aco.com.au).

**PS** Mate, thanks for joining us on *Talking Business*.

**BG** Thank you Peter.

## Clyde Campbell

is the founder of Aussie industrial robotics company, MAR (Machinery Automation and Robotics), and 2008 Telstra Business Award winner. MAR are taking manufacturing robotics to the world.

[www.machineryautomation.com.au](http://www.machineryautomation.com.au)

**PS** My next guest on **Talking Business** is Clyde Campbell who is the founder of an Australian industrial robotics company called Machinery Automation and Robotics or MAR. Established over 20 years ago, Clyde's business designs builds and integrates automated manufacturing solutions, incorporating advanced robotics for production critical industries. The company has grown to employ a team of 47 staff servicing clients across Australia and internationally from offices in New South Wales, Victoria and Queensland. MAR has recently entered the American market and in 2008 won the *Telstra Australian Business of the Year Award*.

Welcome to *Talking Business* Clyde.

**CC** Thank you Peter.

**PS** Mate, I was just actually thinking that many years ago I wrote a story on you guys when you won some award in New South Wales?

**CC** It was back in the early 2000 when we actually won the *Telstra Small Business of the Year Award* in the MYOB category, which was less than 20 people so we've doubled ourselves since that time and grown a lot of other different facets.

**PS** Now, I know you probably didn't expect to bring this up, but you're a diversified business and I love the way that people listening would actually admire what you've done because you've taken the money you've made in robotics and... you've also had a newsagency in Lennox Head and you've got shops there, you've kind of diversified your income base, haven't you, with the family business?

**CC** We have. There's two Directors and shareholders in Machinery Automation and Robotics, Greg, being a brother, and myself. We grew up in the country area up in Northern New South Wales, in Lennox Head, so we've got a pub, a newsagent, a bottle shop and an IGA up in the town, a fantastic team of people up that way, a lot of young guys work for us and make a big difference to the community.

**Clyde  
Campbell**

**PS** And also considering the kind of stock market demise that we've seen in many companies that are in debt, it's nice having cash flow businesses like the ones you've got at Lennox Head...? [Laughter]

**CC** It certainly is. It adds a lot of stability to us but it also adds a lot of focus from the consumer. Our business in Sydney is focused about automating manufacturing, but at the end of day we supply to a consumer.

**PS** How did you get into robotics? You don't look like a robotic kind of guy?

**CC** It's been a long journey and it really is an evolution of automation. For myself, I did an electrical trade initially and then did industrial electronics and automation to follow that on.

There it's been more of a technology journey as we've all seen PCs grow in the last 20 years from something that was very difficult to be able to use, to something that's quite complimentary to most people. And robots have grown the same way, from something that was just automotive and welding focused, to something that's used in the broader end of industry quite regularly.

**PS** Okay, so tell us the kind of things you do for some of the customers that people might know?

**CC** Our work is quite diverse in the Australian market, we could specialise in the food, the materials handling or the actual welding industries. An example, say, in food would be how we take a bottle, fill it, label it, cap it, put it into a carton and put the carton onto a palette. It could be the whole process, or it could be a segment of the process, just what adds efficiency to our manufacture.

**PS** And did people come in...? Like, for example, I own a winery, I've done it maybe by hand my whole life, family's done it this way, we're growing, the labels growing and so we say to you, 'Can you just get a shed and put a robot system in there for me?'

**Clyde  
Campbell**

**CC** It is, and we quite often take that in a segmented approach because they may well want to be able to, first, apply the labels automatically when previously they wanted to put them on manually because they had low volume. Normally it's because of volume or quality, you know, no one wants a wine bottle with the label slightly crooked, or if it's changed from having corks in bottles to screw caps – is the cap on straight? Is it not cocked? All those things they can do at high speed visions systems.

**PS How** did it all start? What was the first activity that made you say, 'Gee, this could be a business here.'?

**CC** What we did... I grew up in country New South Wales, I finished off a uni degree down in Launceston in Tasmania, worked in Melbourne for two years, and I could see an opportunity in Sydney because I was working nationally with that company. So we set up as an agent of theirs servicing high power inverters in the Sydney market. It took us three years to regain their markets, so we took it from nothing, to three people, but we own 98 percent of that very small niche market after three years. Then we said, 'Well, are we happy being at three people? Or is that a risk to the business longer term?'. So then we looked at other automation possibilities and that's when we started to grow in industrial controls.

**PS** We're talking to Clyde Campbell who is the founder of Machinery Automation and Robotics, or MAR. Now, tell us about what you're doing in America?

**CC** American work we're doing is a key segment to our business. We've got certain innovation strategies, one of those has been the solar industry, so we work for an Australia based solar company that took their technology to the States because they could get more investment and capital backing behind them. We actually won the first project to manufacture their solar reflectors in the Nevada. The project itself is up and operational now, and their looking at how they can expand that around the world, not only in the States but bringing it back to Australia.

**Clyde  
Campbell**

**PS** Are you actually doing the production in America?

**CC** What we do is, we build the machine that builds the reflector, so the reflectors themselves they need thousands of reflectors. Like, their first site needs 96,000 reflectors to be put into the field. At the moment they can only make two to three of those reflectors manually a day, whereas we can make eight an hour. So the process itself needs that automation to be able to pump the reflectors out in time.

**PS** Has the desire to be, in a sense, a multi producer of all different products in a robotic kind of way been enhanced by the computer age?

**CC** Oh, most definitely. It's added the flexibility to be able to communicate between devices. They say the solar reflector adds several different processes together to be able to make the reflector itself. The processes are what we're good at. We didn't know solar until about four years ago when we started to invest more R&D resource into what the industry could actually do, future wise, but the PC age has just added so much flexibility to us.

**PS** Now, what about your exporting? Obviously the Nevada job is an export contract, have you got significant export contracts overseas?

**CC** What we have to be successful internationally, is concentrate on niche markets. We've done work in the water industry, internationally in Europe, we've done work in the paper handling industry in China – and that was an interesting project, we never thought the Chinese would automate due to their low cost of labour. How do they also insure they don't damage their product, they add value to their product, they know what products in their store and how they do that automatically is very, very, key to their business.

**PS** So when you guys all get together at Christmas at Lennox Head, you know sitting around in your shorts and you're t-shirts, do you say like 'how did we do this?', and that's a question that people on plane are probably asking, how did you do it? If you think back on your success story,

**Clyde  
Campbell**

what have been the critical issues and decisions you have made that really has brought you and your company where you are today?

**CC** The process has been continuous improvement. Whatever we're doing it's how will we be able to understand what that is, and how can we continue to improve it, not just change but how do we improve it. For ourselves, the key facets have been team members that have come and joined our business, they've added so much more to the company, whether it be key sales engineers, key mechanical or electrical engineers and how we just continue to grow the company itself from a base that was very, very, small with two or three people to someone that's got 48 people with it today. But the process can never end. Like, we're on an innovation strategy, at the present time, on how we innovate in the red meat industry, the horticulture industry and the solar industry, and they're all key markets to us that take the core products that we do today, and focus them on different areas.

**PS** When Edward de Bono was on the program, he said to me that people who succeeded in all walks of life, and in particular business, are lateral thinkers, think outside the square. Do you think that's a characteristic you've developed over time?

**CC** Developed and also been coached in. You see so many good people in different segments and walks of life, how many people would be able to take changes that come towards them and can turn them into a positive, just think outside the square, like the present market we are in today. There's a lot of doom and gloom out there but it's a matter of what are you prepared to do about it and what are you prepared to change yourself to make tomorrow a better day.

**PS** So, in a sense, have you done like a SWAT analysis on yourself over time, and where you had weakness you've had people help you and you've had, I guess, people even develop your strengths as well?

**CC** Oh, most definitely. For myself, we do 360 degree

**Clyde  
Campbell**

reviews from people that would report to us, to other Directors of the organisation, to clients, to family members. What do we do well, what don't we do well, and the important part I suppose of that is to make sure we don't take that personally if what you don't do well but the way I take it it's something I can double, something I do poorly I can easily double and improve for tomorrow.

**PS** Well, Jim Collins, in that great book *Good to Great* said that the great leaders confront the brutal facts. Is that something you're use to doing?

**CC** After you get over the shock that you're not good at [something] then it is, it's a matter of what are we prepared to do about it.

**PS** [Laughter] And you've kept the family in check, they've all recognise their roles, because that's always hard isn't it, bringing family along on the journey because they know you as family members, but they also have to get use to you as business colleagues?

**CC** Oh, most definitely the juggle of family business and personal life is always a real struggle for myself, dearly love our family, we've got a very close family from my parents all the way through brothers, sisters, to three lovely children ourselves, for that there's always a difficult thing for them to understand what we're doing. Like our three year old today when I said I was coming to talk to Peter Switzer about news on the aeroplane, she thought I was driving the aeroplane, she said 'Oh you're the pilot of the aeroplane' and maybe we back that off a little bit.

**PS** [Laughter] Mate, thanks for joining us on *Talking Business*. Just before you go, your website if people want to check out what you're doing?

**CC** Our website is [www.machineryautomation.com.au](http://www.machineryautomation.com.au).

**PS** Cheers mate.

**CC** Thank you Peter.

## Dr Barbara Penson

is the Executive Director of The Art Gallery Society of NSW, and a highly successful business woman. She describes Self Managed Super Funds and the *how* and *why* of setting up your own fund.

**Barbara\_penson@hotmail.com**

**PS** On *Talking Business* my guest is Dr Barbara Penson who is a successful business woman and the Executive Director of The Art Gallery Society of NSW. A CEO of Hunter Council's INC and its trading arm, Hunter Council Limited's Dr Penson has achieved efficiencies and economies for local government in New South Wales. Commencing with three staff housing rented offices, and totally reliant on member contributions, the organisation is now a multifunction shared services entity with its own purpose built accommodation, more than 40 employees, and an annual turnover grown this year to \$5 million, all achieved while reducing membership contributions. We'll be discussing self-managed super funds with Barbara, and we'll look at the *how* and *why* of setting up your own fund.

Welcome to *Talking Business* Barbara.

**BP** Thank you Peter.

**PS** Now Barbara, you've got a really diverse background and you're a doctor as well, so where does the Doctor bit come from?

**BP** Where does the Doctor bit...? I have a Doctorate in Business Administration. My hobby is getting degrees but I've had long professional exposure to superannuation from the time it was first introduced into awards, a couple of generations ago, and I watched it being introduced into industry. I then had the honour of being a trustee on two major industry funds, and then on a company fund, and that lead me to decide that I wanted my own managed fund. So, it's an issue that, over time, I got a bit passionate about, and I would recommend it to a broad range of people, not everyone but certainly a broad range of people.

**PS** Okay, so you've had diverse experience, you've had employees, you've sat on the boards of industry funds which have done very, very, well compared to their financial institution rivals... But with all that experience under your belt, do you feel as though, for many people, the self-managed superfund option is a good one?

**Dr Barbara Penson**

**BP** It's interesting; in Australia we've got some fixations that don't always rest on financial logic. For example, we like to own our own home, and that's fairly unique to Australia, but I believe in Europe the common practice is to rent a house. If you live in a city it doesn't really make sense to own a car but many of us do, and the reasons that we do buy our own homes and our own car is for reasons of control and flexibility. They're sort of ephemeral topics, so when you list them by themselves they don't sound substantial enough to make the decision, but we all cling to that *I want to have control of my life*. And after your home, maybe even equivalent to the price of your home is your superannuation fund and the money is what you're going to rely on in retirement now, because the government is not responsible for your lifestyle, you are. It's a big responsibility, and probably about a third of your life may, if you're fortunate and healthy, be spent in retirement, particularly for women who tend to live a little bit longer. And women don't take as much interest in superannuation as I'd like to see them do. I think the self-managed fund gives you that control and flexibility that we, as a nation, seem to want over our life.

**PS** So, let me play devil's advocate and think through what someone on the plane might be thinking as you say that, because I think some people worry about that they haven't got the skill to manage their own self-managed super fund. What do you say to a person who might say that?

**BP** Certainly, and people might also say that they don't have the skill to buy a house, but then they research the topic, they speak to experts and they learn. Again, given superannuation is a bigger asset, or as big an asset as your house, it's responsible for your quality of life for about a third of your life. I'd say you've got to learn, you really do have to learn to a certain extent. Even if you stay within a managed fund, you've still got to choose that managed fund, you've still got to choose the asset allocation. You've got to have some awareness and knowledge if you want to maintain your quality of life into retirement, it's essential.

**Dr Barbara Penson**

**PS** We're talking to Dr Barbara Penson about self-managed super funds. What about the cost aspect, what is the typical cost that someone would pay if they were running their own self managed superfund?

**BP** The answer, and a bit like the buying a house analogy, is it depends. Some people say, 'Well, I don't really have enough money in my superannuation fund to make it worthwhile', because the sums would say, unless you've got about \$200,000 then it's not worth it. I guess the analogy, coming back to the own home purchase analogy, is that people might say, I can't afford a house, but they'll start off with an apartment. They'll research the market, they'll have a look at the suburbs they like, they'll find a real estate agent, an accountant and a lawyer. Hopefully they'll talk to others, hopefully their parents, but not always, and make a decision ultimately as to where they want to live, where they want to buy. The costs actually of going into buying an apartment are going to be higher than if you just went and rented one, but you're learning about the industry, you're learning about the market, you're learning about all the costs and the management etc, and you know it in your heart. Australians are very comfortable with that exercise because they've done it, they've see others do it, yet superannuation is much the same analogy. You may in the early years think, well I'm spending more on managing this fund than if I let someone else do it, but you're learning, you're finding advisors you can trust, you're becoming aware of your risk tendency, what you're prepared to cope with. Can you cope with the current share market fluctuation, for example? You're learning all of this as you go along, so the answer... you acquire hopefully more assets into your superannuation fund and you have more confidence in managing those assets.

**PS** What about the selection of your investments? What have you done to make the selection of your investments good for you?

**BP** Again, that's an interesting question. I think people confuse superannuation with the share market, and

**Dr Barbara Penson**

they say, 'Oh dear, the share market's dreadful, my superannuation, I don't want to do that'. Superannuation isn't an investment in itself, it's an environment that's taxed advantaged where you can manage a range of investments, and that may indeed be a whole range of things, as long as they pass the sole purpose test, that is the sole purpose, you're investing in this is for your retirement. You can go into assets that your comfortable with, you can go into a managed property fund, indeed if you have enough assets you can even purchase an apartment if you wanted.

**PS** You couldn't live in that apartment.

**BP** You couldn't live in that apartment and you have to rent it out at market rates etc, etc, etc.

**PS** You can buy artwork as well?

**BP** You can buy artwork as long as you don't enjoy it, which seems a little bit obtuse.

**PS** In bubble wrap.

**BP** That's right, and put it into storage. But hey, for example, the Art Gallery has just bought a Césan which has been wrapped up in bubble wrap in a safe for about 2 generations at least, and it's now worth \$16 million.

**PS** And, Barbara, you also can rent it out to businesses can't you?

**BP** Well, that's a good concept, yes.

**PS** There are a couple of art businesses that are now doing that, so you actually can go to those businesses and see your art on the wall. [Laughter]

**BP** Oh, okay, okay. Well that's it, it's a matter of learning about what areas you are interested in. I took a very conservative approach to start with, and indeed I actually have got a couple of managed funds within my superannuation fund, but then as I got a little bit more confident, I bought some shares, a very nerve racking

**Dr Barbara Penson**

experience the first time, and mind you, still very much so... But whilst the market is down now and I feel more comfortable, I'm following Warren Buffett's advice, you know, when people are buying, you sell, and when their selling, you buy. And there's some great buy opportunities out there at the moment, even within the blue chip shares, and given I have a timeframe of a long-term, if not medium-term, and I'm comfortable waiting for the three to five years it might take for those investments to pay off. But again, back to our analogy, if you buy a house and you don't expect to sell it next week for a profit, you will hold it for five years and then seek to make a profit, so you pick on your timeframe and what suits you and what you're comfortable with.

**PS** Okay, now was there a single publication that you read that had a big impact on you in terms of a self-managed superfund, or did you just collect a whole pile of information in the age of the internet?

**BP** The internet is a wonderful tool, I love it passionately because you can find whatever you want there, but I think the major thing for me is finding people that I can trust to help me. Initially, an advisor helped me setup the fund, and now I have great comfort with my accountant who manages the fund for me and it's not onerous, it's just a few reporting's and so on, and he manages that for me.

**PS** You select the investment, he just does the kind of stuff that the tax office expects to be done?

**BP** Correct. It's a bit like, he does my end of year taxation, and he does my end of year superfund management, I just fax him all the paperwork which I need to file and walk away.

**PS** Barbara, I think you're setting a great example to lots of Australians, and in particular, you want women to take control of their superannuation don't you?

**BP** Well, I've figured out that finding a rich partner who's going to keep you, or winning tax lotto is not a viable retirement plan.

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**Dr Barbara Penson**

**PS** [Laughter] No it's not. Okay, that's fantastic. If people want to contact you, is there a website or an email address where people can contact you?

**BP** Yeah sure. Perhaps you could use my email address which is [barbara\\_penson@hotmail.com](mailto:barbara_penson@hotmail.com).

**PS** Thanks for joining us on *Talking Business*.

**BP** It's been a pleasure, thank you Peter.

## Brett Hogarth

is co-founder and Executive Director at Impact Data, which specialises in data communication. Brett details some of the important ways new media and technology is affecting marketing.

[www.impactdata.com.au](http://www.impactdata.com.au)

**PS** Now on *Talking Business* is Brett Hogarth who is co-founder and Executive Director at Impact Data which specialises in data communication. Brett is discussing some of the ways new media and technology is affecting marketing.

Thanks for joining us on *Talking Business*, Brett.

**BH** You're welcome. Thanks for having me.

**PS** Why don't you talk to us about Impact Data, what it actually does?

**BH** Impact Data specialises in direct and new media communications based around database marketing principles. So basically, what we do is provide our clients with an ability to communicate directly with their customers.

**PS** Okay, so someone comes in with a database and says, 'What can I do with this?', and you come up with smart ideas?

**BH** Exactly. Sometimes they have an existing database and we're trying to find the best ways to utilise that moving forward, and sometimes they don't have anything at all, so we want to help them build from scratch.

**PS** So you're suggesting that new media and technology is affecting the way we market. Why don't you give us some examples?

**BH** Absolutely. Some of the things that are being done in the marketplace today which we're assisting with a client, like a camera retailer, being able to build profile information of their customers, asking customers what it is that they're interested in receiving communication wise, being able to also track customers and find out what it is that they're buying, and being able to deliver communications to them that are incredibly relevant and valuable, and therefore have good response rates.

**PS** A part of your service, in a sense, is to say to this retailer, ask these key questions, and with the answers they get, we can market more effectively to them?

**Brett  
Hogarth**

**BH** Absolutely. What we're trying to do is provide those clients of ours the ability to segment their customers into small target audiences and deliver a highly valuable communication to a small portion of their overall database.

**PS** So it means that you don't have to go for a wide scattergun approach, you basically shoot for the people who are more likely to say yes to an offer?

**BH** Absolutely. Yeah, the motto is *Right Person, Right Message, Right Time*.

**PS** Good motto. What else are you doing, mate? That's one example, give us another example of the sort of stuff you're doing?

**BH** Well, we traverse a lot of industries with the work that we're doing, so at maybe the top-end of town, if you wanted to call it that, we're working with some big names on some more complex marketing strategies that revolve around smarter use of databases and customer information. But, at the same time, we're trying to take all of those principles into the small/medium business space and offer it to them in quick and easily accessible ways so that they can get the same benefit for their small business.

**PS** What about a small operation that doesn't really have a database? What can you offer that sort of business?

**BH** Oh, absolutely. Let's take maybe a hotel for example. Our home turf when we started the business some time ago was the hospitality industry, so hotels and restaurants. But in a hotel it might be offering them the capability of interacting with their customers and asking them what they're interested in finding out about. So, at my local hotel, it might be asking me what I prefer to drink, what sort of my music I like, what departments of the hotel I come to, maybe even what code of football I like to watch. When they then have something on that matches exactly those criteria they can let me know. So the message that I receive is perfectly tailored towards me, and for that reason it gets a higher response from me.

**Brett Hogarth**

**PS** How do you actually source the information to then pass on to your client?

**BH** Well, sometimes it's as easy as just walking up to people in a hotel and asking them, so the hotel will actually send their staff out on the floor.

**PS** So not always new media is used?

**BH** No, no. Sometimes it's a nice grass roots thing. So yeah, asking people if they'd like to sign up for a membership or a VIP program of sorts. Sometimes it's getting them to go to the businesses website and sign up at the website. Other times we have people sending in messages off their mobile phones and joining the membership directly that way.

**PS** We're talking to Brett Hogarth from a company called Impact Data. So, in a sense, what you're talking about is what everyone in the website land is saying, communities are really important to get these people coming to your website, but you're also using communities to go to businesses?

**BH** Absolutely, yeah. And the example before with the hotel, all of the people that go to that hotel are a community in themselves, being able to build these groups of people... But actually, the most important thing about all of that is to treat every individual as an individual, it is a prime point of what Impact Data offers, to be able to facilitate a one to one communication strategy, as opposed to a one to many communication strategy.

**PS** Well, give us an example of how you do a mass marketing campaign which actually targets the individuals, one on one?

**BH** Sure. We've got a really interesting piece of technology that we run at the moment. It's called *Timeline Marketing*, so it is a series of communications over a period of time that would go to a person, based on, let's call it a trigger. So the trigger might be renewing your membership for health insurance, then in nine months time a friendly reminder to let you know that you're coming up to renewal, and maybe

**Brett  
Hogarth**

another reminder at 10 or 11 months, and then another one after 12 months to let you know you're overdue. That's a nice easy one. We do a similar thing for a national tyre retailer where the trigger is the customer buying a set of tyres, and then they get given a series of communications for two and a half years about bringing a car back in for suspension and tyre rotations, and things like that. But everybody's receiving a personal sequence of messages that's based on when they made their purchase.

**PS** Yeah, that's a good idea. So, what about things like Facebook, are you getting involved in those sort of social networking areas and creating strategies for businesses?

**BH** One of our key principles, I suppose, is to be as agnostic with our technologies as possible. Impact Data's services, being able to interface with any number of data collection points, Facebook included, so when people signup to Facebook environments, that information can be moved into Impact Data as well. As I mention websites, we interface with point of sales systems that monitor purchasing and a wide range of data sources. But to us, the most important piece is the data and where we get it from, we'll go looking for it everywhere.

**PS** I guess a lot of businesses are quite staggered with what you guys are seeing in terms of the potential of new technology and new media, because people are just not skilled in that area, but you obviously are?

**BH** Yeah, well we've become quite proficient over time with what we do, and adapting to new technologies as they emerge is important all the time, and trying to keep our clients as informed as possible about those things is very important to us. So part of our service is education and advice, and the other side of our service is that we construct and build the toolsets that they use. We're a technology house, we're a development company, we build our own software to provide to our clients to use, and all of the tools that we build revolve around our key principles of success.

**Brett  
Hogarth**

**PS** You must be staggered how a lot of businesses are unaware of the value of research in their customer base?

**BH** Oh absolutely. Anywhere from a client that has no information whatsoever, and we're advising them and helping them build that information from a starting point. At the other end of the scale, there's business that's dripping with information, they've got more data than they know what to do with, but they haven't yet unlocked the power of the information that they've got and turned it into a communications potential. So that's an interesting part of our life as well.

**PS** If you could give advice to business owners who are listening right now on the plane, what are some of the simple strategies you would recommend they do to get really valuable data out of their clients?

**BH** Okay, well number one would be; don't be scared about interacting with customers and ask them for information. You'd be surprised at how many people want to engage with the business and give that information over in return for valuable communications. And number two; (and we think more about this with the current financial situation) building a customer database is a great insurance policy for your business. It gives you access to people who you already know and they already know you, and it's a lot cheaper and easier to win new business off existing customers than it is to go and find new customers. Thirdly; keep the level of interactions and communications up, make sure they're always regular, but they're always targeted and offering inherent value.

**PS** Great stuff. Now, if people want to contact you, what's your website?

**BH** You can have a look at [www.impactdata.com.au](http://www.impactdata.com.au).

**PS** Alright mate. Thanks for joining us on *Talking Business*.

**BH** You're welcome. Thank you.

## Steve Bevington

is the Managing Director of Community Housing Limited (CHL), a not-for-profit organisation that provides affordable and sustainable rental housing for those who need it most. Steve believes that NFPs need to be operated like for-profit companies if they are to make an effective social impact.

[www.chl.org.au](http://www.chl.org.au)

**PS** My next guest on *Talking Business* is Steve Bevington who is the Managing Director of Community Housing Limited, a community housing organisation founded in 1993. A not-for-profit organisation, Community Housing Limited was established to create affordable and sustainable housing projects that meet with the expectations of the local community. Steve believes that those businesses in the not-for-profit sector, who are looking to make a major social impact, have to realise that to achieve this objective they have to think and act like for-profit companies when it comes to growth.

Welcome to *Talking Business* Steve.

**SB** Hello there, Peter.

**PS** Look, for people on the plane it would be a good idea to explain where the idea came from and how big are you now?

**SB** The idea came simply to respond to an initiative of the Federal Government back at 1990 to try and open up affordable housing back then to people who needed it, who are part of disability groups or youth, or a lot of the special needs groups. It's changed significantly from then to a much broader segment of the community who aren't able to access housing.

**PS** Okay, so what kind of people then are we talking about? Are we talking about people who are employed but not on the high incomes and they needed to be given a chance to get into some decent accommodation?

**SB** I think that's right now, and now it's spread much further than the initial high needs group to anybody who is really of low to moderate income who are unable to get into secure accommodation, which is a large segment of the younger people in the population, alongside those people who will have intractable problems right at the bottom end.

**PS** See, in the old days, for example when you and I were young, there was a thing called Housing Commission Accommodation wasn't there? So the government would

**Steve  
Bevington**

provide these places and people could move in and pay often fairly token rents, but I guess since the '80s, or was it early '90s, that sort of thing just dried up?

**SB** Yeah, well it's really since the early '90s the Housing Commission was initially started, like there's almost housing to assist the growth of the manufacturing industry in certain parts of major cities or so. It then moved into general low income accommodation, and in the '90s really all growth stopped and it's been shrinking as a proportion of the housing stocking, the national is no longer a safety net for the people who need it, so new initiatives needed to come forward.

**PS** So tell me how big you organisation currently is?

**SB** Well, the organisation is... we currently manage about a thousand properties but we are planning to exponentially grow that right across the country.

**PS** It's not-for-profit, so who actually started it?

**SB** Well, it started when it was an oppressing organisation, which was another community housing organisation fact targeted to a different group of people in need, and it's really a Board of Directors, with a bunch of members who are largely the support organisations for some of the people in care and housing we manage.

**PS** So, I would consider the value of your properties, given the fact you've been going since 1993, would be quite considerable now?

**SB** It certainly is. The stock we manage is only now coming into our ownership, it will be around about 40 percent of the stock that we manage, which will be in our ownership come the end of the financial year. Other stock is owned by other organisations, such as state governments, local councils, other community organisations and even private investors.

**PS** We're talking to Steve Bevington who is the Managing Director of Community Housing Limited. Now, you believe that not-for-profits have to have a for-profit attitude when it comes to growth. What do you exactly mean by that?

**Steve  
Bevington**

**SB** Well, I think we need to operate in the same way as a business with the same targets, with the same expectations or creating value of working efficiently. The distinction and the only distinction really, in the way that we operate is that we will target projects which can actually create an end product which we need. Really the stakeholders are the people who receive our properties or so, rather than actually paying out the profit in the form of a dividend to people who invest in the organisation, and that's the distinction. But the methodology, if we're going to be successful, if we're going to be able to grow, we have to have that approach.

**PS** Excuse me for being a complete amateur in this area, but it's not an area that most people are experts – I think we often think we're experts. It seems to me that in a lot of this sort of community housing we've created in the past, and at least particularly when governments are in control, you create, as the eagles would say, a *bunch of ugly boxes*, and you toss people in them and wonder why they behave really ordinarily in there. Has there been a change of attitude? I think Villawood was a problem many, many, years ago, and that was the argument, that they just toss people and nothing else happened there. Is there... and I think if you're a for-profit business you'd manage the people as well as the asset, is that the kind of thing that's happening in more successful operations?

**SB** I think this is a new way of going really, in that we need to mix up the groups of people living in the housing. I think one of the principle problems with early design of public housing was when they found a suitable piece of land, they developed it strongly, but then concentrated a certain target group within that housing, rather than had it reflecting an overall picture of the community with all the income groups. That concentrated issues, concentrated problems, and that has meant that the housing hasn't been able to be seen of value in the future, values have gone down and it can't be leveraged to its full capacity. For ourselves, it makes a better community to have all income groups within a particular community as such, and that will also enhance the value, enhance the business proposition, and ensure that

**Steve  
Bevington**

the people we're really trying to provide for in the community actually live in a stable community and can participate in that and take advantage of opportunities that come in formally through that process.

**PS** So, it's ultimately a *win/win* situation, it's good for the community, it's also good for your investment in these properties...?

**SB** Exactly. I mean, in many sort of concentrated public housing estates the investment hasn't improved unless it happens to be on a very valuable piece of land close to the intercity, and we expect our investments to be good investments alongside any other good housing investment in the community. Given that in the future private investors are going to be investing in that housing, we will have to ensure that it sort of matches investment opportunity of housing generally.

**PS** Did you always have this attitude that not-for-profit should have a for-profit attitude? Or was it something that you actually learnt on the job looking at failures in some areas and what was working in other areas?

**SB** Well, I've always had that attitude personally. I think just because ones a not-for-profit organisation and targeted to try and meet need, doesn't mean that one can't have a creative and commercial approach to doing things. I've always had the view that meeting needs should go hand in hand with economic improvement, and people need to be given a helping hand out of that situation through the economic growth of their own particular position, alongside the rest of society. That's the way you create a vibrant society, not by actually handing out to people – it's often been said *handing out is better than a hand out*.

**PS** Exactly, and it's a nice spin on positive economics to do something like that.

**SB** Absolutely. I mean, in the rest of the world, in the developing world for example, it is definitely the economic development which is assisting people out of poverty, rather than simply aid.

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**Steve  
Bevington**

**PS** Great stuff. Look, if people want to know more of what you're doing, what's the website?

**SB** The website is [www.chl.org.au](http://www.chl.org.au).

**PS** Thanks for joining us on *Talking Business*.

**SB** Thanks very much indeed.

## Luke Mangan

has a reputation as a super chef, restaurateur and successful author. Luke describes his burgeoning business interests and how he is managing the shift from culinary icon, to household brand.

[www.lukemangan.com.au](http://www.lukemangan.com.au)

**PS** My next guest on *Talking Business* is world renowned chef and restaurateur, Luke Mangan. Luke has owned and operated a number of award winning restaurants and bars, and is currently the chef and owner of Glass Brassiere at the Hilton Sydney, Salt Tokyo and Japan, and now South Food and Wine in San Francisco, with more in the works. Luke also is a regular in the media, a busy man outside the kitchen as well. He's penned three cookbooks, is currently a roving TV food reporter for Channel 9's *Today Show*, and is a *Lexus Appetite for Excellence Award* founder and judge. We'll be talking with Luke about his burgeoning business and the Mangan brand.

Welcome to *Talking Business* Luke.

**LM** Thank you.

**PS** When you started in the restaurant game, did you ever think that someone might say you're becoming a brand?

**LM** No, not at all. It's quite scary, isn't it? To be honest, I actually got into the business because I fell out of school, I was actually kicked out of school at 15.

**PS** Why, what was so wrong with you?

**LM** I don't know, I think the teacher got the wrong person.

**PS** Yeah, must be.

**LM** I was a little bit disruptive and I couldn't sit still. I think they call it ADD now, but, you know, I fell into cooking and enjoyed it, but never saw it to be turning into what we do now.

**PS** Okay, so what was your first business?

**LM** We opened Salt restaurant in Darlinghurst Sydney in February 1999, which thankfully went extremely well. Obviously I cooked around the world and done my apprenticeship, all that sort of thing, before that. We borrowed everything to do that, that was with my business partner Lucy then, and it worked.

**Luke  
Mangan**

**PS** It was a big gamble. I remember when it opened up, it was a very flashy place. Who encouraged you to take that kind of style, that sort of very distinctive looking restaurant? Was it you, or was it your business partner?

**LM** Well, it happened in a funny way. People knew that we were out looking for a restaurant location, restaurant site, and it was in the Kirketon Hotel, they came to us and said, 'You know, we heard you're looking and this is what we're doing, do you want the space downstairs to lease off us?', etc, etc. We did it, and we saw the plan, it was very funky and very trendy. We thought why not, let's give it a go, you know? It was a great opportunity. We didn't know how to run a business really, we knew how to work for people and Lucy always worked the front of house. I did the kitchen side, but, you know, we forgot staff and taxes and all that sort of thing, and we were turning over 200 grand a week when we started.

**PS** But not putting your taxes away...

**LM** And then GST came in and all this sort of stuff, and it was a problem, but we learnt the hard way which is sometimes a good thing.

**PS** So, you were entrepreneurs on the job and learning along the way.

**LM** I think so, yeah.

**PS** What big lessons did you take out of that? I guess that's probably shaped the success you've seen since then?

**LM** Yeah, I mean I've never... When I do a new business I never do a business plan, people do figures and what's your average cheque going to be, how many covers are you going to do? Well, I can't predict that, we can do a rough one, but for Salt we never did that, and we just opened the doors and hoped they would come, and thankfully they did come. Nowadays, I've learnt that, okay we need to be a little bit more structured and understanding of the climate etc.

**Luke  
Mangan**

**PS** Have you brought some people into your business team that you didn't have in the early days who are actually having a positive impact on your outcomes?

**LM** Yeah, very much. I mean, I've got a financial advisor now who I speak to regularly and all my head chefs at the restaurants. In Glass in Sydney, it's Joe. He's been with us for eight years and he use to run Bistro LuLu.

**PS** So they're entrepreneurial themselves?

**LM** But, in a way, I like to give them a bit of the business to encourage them, because... You know, Shannon in Tokyo has been with me for 10 years, so they know what I want, but I don't just lay down the law. They've got to have their own influence on food and styles, things like that, so I think that's really important.

**PS** Okay, we're talking to Luke Mangan, famous for being a restaurateur but being famous for other things now. At what stage did you see that there was more than just owning and running a restaurant in your name?

**LM** Well, I guess when we sold half the Salt brand to a Japanese company, back in 2005 I think it was, I thought to myself, I don't want to be tied to a kitchen, I don't want to be 50 years old and being in the kitchen still. And it is very hard to make money out of restaurants free standing, believe me it is, and a lot of people don't see that when you're charging \$40-45 main courses.

**PS** It's very labour intensive, isn't it?

**LM** It is, and that is a problem. So, I thought, I've got to get out there, look at other ways of making money to keep the business and get the brand out there. I think it's very important for chefs to go out and sell themselves, and sometimes I get criticised for that, that I'm out there too much. But hey, I'm running a business, I've got people to pay and I see it as an important thing to do that, you've just got to go out there and market yourself, and I see that as coming up with olive oil and wines and putting your name to certain things, it's important.

**Luke  
Mangan**

**PS** But you were lucky in a sense that there's a great stable of people like you in related areas. Like, for example, Simon Johnston in purveying, and they're great role models around you, even though you were a part of that pioneering group.

**LM** Well, you know, you look at Neil Perry, for example, who's a brilliant chef and he's admitted his ups and downs, as we all have had, and how you've got to work the brand and work the name, it is very important. You can't just rely on the food you're serving, because a lot of chefs think a restaurant is all about the food, but a restaurant is the package, the service, the ambience, the lighting, the whole experience, and also what you create outside of that restaurant.

**PS** I remember I did a story on Neil many years ago when he first had Rockpool, I came back some years later and his turn over had gone through the roof. I said, 'How did you do it?', and he said 'Well, I did a SWAT analysis on myself and realised I was misallocating my time doing stuff I wasn't good at'. So he got his cousin, Trish, to come in there, and she did all the boring jobs – you go to an accountant when you want boredom – but then Neil put himself into the place where he was strong and the business really shined. Have you done the same things? Have you worked out where Luke Mangan is strong and you pushed yourself into those areas?

**LM** Yes, I have. And I think my strengths are with the staff and trying to motivate them, educated them and managed them, rather than being in a kitchen and getting up tight and, you know, yelling at waiters or things like that. I have worked that out and I like to give staff freedom, all my key people freedom, and I think that's very important, I think it's made me, or helped the business develop.

**PS** What's it like owning a business in Japan nowadays with the economic challenges we've got?

**LM** If you'd asked me 3 months ago I would have said fantastic! Look, things have dropped off but it's a challenge, we've got a bit of debt in Tokyo but we're going to work

**Luke  
Mangan**

through it and we'll just see how we go. I mean, it doesn't help when your restaurant's at the base of Citibank and they lay off 1,000 people. A lot of expats have stopped entertaining, as you know, the bankers etc. So, we've got our challenges and we've got to work through them, but it's interesting times.

**PS** But you, being so young mate, this is the first real economic challenge you face, isn't it?

**LM** Well, it was in 1991 I think the big last one was, and I was an apprentice at Delgany with Herman Schneider in The Two Faces in Melbourne, and sadly the receivers took that over, and I do remember it so it was pretty tough times.

**PS** Sometimes people say when they've been through an experience like that with a respected business owner, they learn a lot from it and it makes them a bit careful about that sort of thing?

**LM** Yeah, look, I'm really careful, and just yesterday we sat down with our staff in Sydney and said, 'Look, this year compared to last year, we're down'. We've got to manage that and there's only a certain way you can manage those costs in a restaurant because we've all got the rents the same, you know, overheads are the same. So we've got to fix our staff and our food costs and beverage costs, and they're only the three things that we really can control.

**PS** Well, one last thing you can control Luke.... and it's actually funny that you started by saying that you were a pain in the neck kid at school who teachers misjudged. Would you ever have imagined that you would have been a leader of people? Because leadership is something you learn along the way when you own a business as well?

**LM** No, I didn't. I mean, I still don't look at it like that as well. I love what I do, I get up in the morning and I just love going to work and speaking to Japan, and speaking to the guys in San Francisco etc. I'm pretty open and casual and I think that's important. I had the pleasure of spending 10 days on Necker

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**Luke  
Mangan**

Island with Richard Branson who invited me over a few years ago, and you know, just having a chat with him, seeing how relaxed he is, how he deals with his staff and his management team. I learnt so much from that experience, and you learn that from people you meet along the way. It's incredible.

**PS** It's good you're being good company, you learn a lot from that.

**LM** Yeah, I'm very lucky to have those opportunities.

**PS** Luke, if people want to look into the stuff you're doing, what's the website?

**LM** [www.lukemangan.com](http://www.lukemangan.com).

**PS** Thanks for joining us on *Talking Business*.

**LM** Thank you.

## Jane Neale

is a director of Hattoneale, a high-end business and executive search consultancy that focuses on executive and board level. Jane believes that with the economic turmoil, companies can utilise senior executives who have ridden through economic cycles before, who can run restructures and project manage change.

[www.hattonneale.com.au](http://www.hattonneale.com.au)

**PS** My next guest on *Talking Business* is Jane Neale who is the Director of Hattoneale, a high-end business and executive search consultancy that focuses on the executive and board level. Jane believes that with the economic turmoil, companies can utilise Senior Executives who've ridden through economic cycles before, and can project manage change.

Welcome to *Talking Business* Jane.

**JN** Thank you very much Peter.

**PS** Why don't you tell us about Hattoneale?

**JN** Well, Hattoneale is a business that I established six months ago with my partner, Anne Hatton. Anne was formerly the CEO of Hudson, which is big recruitment company.

**PS** Who's been on this program before.

**JN** She has indeed. In my former life I was Managing Director of an advertising agency, George Patterson.

**PS** Gee, there's some heavyweight woman work, not saying heavy women, but heavyweight women.

**JN** That's right, yes, you've got to be careful. So Anne and I had been friends for some time and we were talking about the issue that we didn't necessarily want to go and work back in Senior Executive roles in multinationals anymore, but nor were we ready to retire. We'd realised that there were a lot of people like us who've ridden the economic cycles, done some very senior roles, but who actually want to work in a different way and want to work in more of a portfolio career sense. What we also recognised was that there was nobody really representing those people to businesses. And businesses, with some of the turmoil economically, particularly have been de-layering some of their Senior Management ranks and are looking for senior level Executive input, but don't necessarily know where to find it.

**Jane  
Neale**

**PS** Do you think there's going to be a demand for people with corporate memory in a sense? People who may well be semi-retired but really do want to work, that will be able to use organisations like yours to interface with potential clients who want to use them twice a week?

**JN** Yes, that's exactly right. We're meeting some wonderful executives, former CEOs, former CFOs, former Marketing Directors, former HR Directors who really want to still do some work. They're available to coach Senior Executives, to mentor Senior Executives, or indeed to go in and do some consulting, because they don't want to say idle. They're not ready to retire and they really do have a good contribution to make, because these are the people who have seen economic downturns in the past and have managed businesses through these tough cycles.

**PS** I would also imagine there's a lot of fast growing small and medium sized businesses who'd love to have these sort of people come in, even if it's just once a fortnight, once a month, for a full day to actually do some objective analysis of what's going on in their business?

**JN** Yes, that's very true. And what we're finding is a lot of small to medium sized businesses don't really have the budget to call in the McKenzie of the PricewaterhouseCoopers, but when they come to us they can find people who use to work in firms like that, who can come and consult to them, on a much more flexible and cost effective basis.

**PS** Well, what is the supply of these Senior Executives like? Are there lots out there?

**JN** Yeah, there really are. We've been inundated with people who are very keen on our model, because they want to get connected with businesses, but they're not necessarily very good at selling themselves. So we can provide that interim connection for them and there are a lot of very, very, high quality people that we've now been speaking with.

**Jane  
Neale**

**PS** We're talking to Jane Neale from a company called Hattoneale. Why do you link the economic turmoil with the fact that there's a supply of Executives? Some people might be saying, well isn't that pile actually getting bigger and bigger? So what's the thinking there?

**JN** Well, there's certainly a number of factors. A lot of the Executives on our books have been retired for a number of years but they've been doing some consulting themselves. And because of this economic downturn, we are seeing some more Executives coming onto the market who've been taken out of businesses, and who still want to work. In addition, we're finding some of the Baby Boomers, who perhaps thought they could go into full retirement, now thinking, 'Well actually, my supers' not looking as good as it use to look, and so maybe I would like to do a little bit more consulting work.'

**PS** Here's a question, I guess left field but... We know there are a lot of consultants who would love to operate as a company, but the tax laws actually don't make it easy for consultants to act as company. Is that something you'd hope that maybe governments down the track would look at so consultants can operate as a company and not have to worry about if they happen to get a contract for one year, when they're getting, say, 100 percent of the income from one contract, they can't operate as a company?

**JN** Yes, absolutely. And obviously the tax works more effectively if you are consulting to a number of different businesses, but if you're only consulting to one, the tax is not effective at all and we would absolutely like to see that change for the benefit of our consultants.

**PS** Because, in a sense, if you want to try and mobilise these Corporate Executives with lots of corporate memory, you should make it more easy for businesses to actually hire them, and then put them off when it's not needed...?

**JN** That's exactly right. There needs to be a better process for getting them connected and for making it profitable

**Jane  
Neale**

and economical for them to go back to work, because certainly from the client side it is very economical to get these Executives in because you get senior level Executive experience, but without all of the overheads that normally go with the full-time Senior Executive.

**PS** Now Jane, I know you've worked through various stages of the economic cycle, and not too long ago people were complaining that Gen Y were rather difficult to work with and what they needed was a good recession to sort themselves out. Are you actually seeing this at a time where you think you might see some change in the attitude of Gen Y?

**JN** We're certainly hearing that from clients that we're talking to. And what we're also hearing is that a lot of managers and senior managers in businesses don't know how to cop with what's happening at the moment. Therefore, businesses are saying, we really need to bring in some wise heads, some grey hair if you like, some people who've done it before to help mentor our junior people, to help mentor our managers and to help them learn through this process to become better managers in downtimes, as well as up times.

**PS** Yeah, because that's the point that a lot of people criticise in Gen Y for, and I often tease them as well, but the thing is, as leaders we're failing this generation if we don't get them to change their ways and be more positive in their contribution to the workplace?

**JN** That's exactly right, and that's where mentoring and coaching becomes so important in businesses, because if you have the enthusiasm of a younger generation, but with the wisdom with some senior people guiding them through, it's a wonderful combination.

**PS** Okay, now one last question before we go. You've worked in big-end-of-town operations and now you've got a start-up business. How do you find not having the same support systems you've gotten very use to in the big end of town?

**JN** It's really tricky, and it's really difficult, but it's lots of fun and we're just having a great time. We see this as a

**Jane  
Neale**

wonderful opportunity for us. This economic cycle is going to create opportunities for businesses who've really wanted to take advantage of it.

**PS** Yeah, I always remember one mate of mine who worked for the big end of town, and he started his own consultancy, took his first client out for dinner, pulled out the credit card and realised he was paying that credit card bill at the end of the month.

**JN** That's exactly right, and the Executives that we were working for have all come out of the same situation. They've been use to working in big corporations, and all of a sudden you're at home on your laptop and you go to call the IT Helpdesk when you've got a problem, and there's nobody there at the end of the phone! So we're helping people reengage and get back into the workforce by helping them with some IT support, helping them with secretarial support, and even, in some cases, helping them rewrite their CV, because many of our Executives haven't been looking for work for 30 years and now they're looking for a different kind of work.

**PS** And I guess you're also giving them a different, sort of, sense of motivation so they can believe in themselves and kick the goals they want to kick.

**JN** Absolutely.

**PS** What's the website if people want to find out about what you guys are doing?

**JN** It's [www.hattoneale.com.au](http://www.hattoneale.com.au).

**PS** Thanks for joining us on *Talking Business*.

**JN** Thanks very much.

## Marijn Kortekaas

reveals how his innovative corporate image consultancy, Air Aroma, is branding major companies through scent.

[www.air-aroma.com](http://www.air-aroma.com)

**PS** When you walk past a pizza shop, you know it. And when you drive past a tannery, yes you know that as well. Smell is hard to ignore and our next guest, Marijn Kortekaas, will reveal to us how his innovative company, Air Aroma, is branding major companies through scent.

Welcome to *Talking Business* Marijn.

**MK** Thanks Peter, thanks.

**PS** Where did the idea come from to create a company around scent?

**MK** Well, the idea of using scent to either promote a brand or a product, or create a certain ambience for hotel guests, for example, the idea itself is quite old, probably about 20-25 years at least. The way it's used at the moment, and especially in the last five years, it's really taken off, both in the creative kind of ideas that people have around marketing, but also the technology used to defuse a fragrance into the air, so it's more sophisticated.

**PS** Yeah, because I know real estates will often say to people when it's open house, 'Have some nice bread cooking in the oven, have some coffee percolating on the stove,' and all that sort of stuff gives it a really nice aroma to the house.

**MK** Exactly, exactly. Those are the kind of services we offer as a company around the world. Yeah, some people say it's metropolitan, we say it's just another way of marketing really. In the end it's creating an ambience and people have to feel comfortable when they walk into a home they want to buy. It's the same when they just manicure the front yard for example, or, like you said, just make some fresh coffee.

**PS** How do you actually create the consistent scents that reproduce themselves in all the places where you want to market your product?

**MK** We work with an exclusive, what we call a, boutique perfumery in France. So we get all the fragrances from

**Marijn Kortekaas**

there, and their perfume quality fragrances so they're not one kind of chemical fragrance that you might just get somewhere in a small shop around the corner. They're professional fragrances that are fully safe to use in public spaces, and we use them together with what we call scent delivery units to diffuse the fragrance into the air.

**PS** Give us an idea of what scents you guys deal with?

**MK** Well, there's a few categories. If you talk about some food related scents, for example, you mentioned that before, things like coffee, fresh bread, chocolate I suppose, they're quite straightforward. If you talk about, let's say, designing a fragrance for a hotel, for example, it's much more sophisticated because it's more a kind of a conservative approach that you take in looking at the hotel's interior combined with the hotel brand identity, how do they want to, kind of, deliver that message to their guests? So, it's a whole wider approach that you take with those kind of clients.

**PS** I should imagine, to develop these scents you must have relied on focus groups to get an idea of what the majority actually smell at the one time?

**MK** Correct, correct. Yeah, I mean, if you talk about focus groups they're most of the time internal focus groups within, let's say, a Board of Directors, for example, and combined with the marketing team of, let's say, a hotel chain that you go through... Let's say a number of samples that we present are based on those samples, including your smell tests, including your trial within a hotel lobby, and come to the end result.

**PS** We're talking to Marijn Kortekaas from Air Aroma. And I guess the most famous smell that I have heard many people say is, I love the smell of a new car. Do you have a new car scent as well?

**MK** [Laughter] Well, it's a question we get as well a fair bit, and yes we do. It's not used too often to be honest. I think people, they quite like it, but afterwards a lot of people actually prefer something a bit fresh as well, a bit of citrus or a bit of vanilla, or lavender in their car. So, to be those

**Marijn Kortekaas**

fragrances as well, but yeah... a new car smell is possible, for sure.

**PS** Is it a big industry? Or is it a growing industry at this stage?

**MK** Oh look, it's a huge industry. I mean, if you look around the world there's probably about five to six major players in our industry, but you talk billions of dollars of turnover every year so it's a niche industry, but at the same time it's a very big industry too.

**PS** What about professionals such as doctors and dentists? Is there a scent that a dentist would like for people to smell when they're sitting there reading those very old magazines?

**MK** Yeah, absolutely. I suppose the whole healthcare kind of area is a very interesting area because we also make fragrances based on pure essential oils, so all natural, and they're also antibacterial, that's especially when you talk about hospitals, GPs and dentists. It's a great solution. If you want a fragrance, let's say for a GP for example, a fragrance that relaxes people, it's the same if you go into an operation theatre. In a hospital, you want something that relaxes people, so you think about something like lavender or one of those fragrances.

**PS** So, over the years how have you worked out the kinds of scents that work in various businesses, and then how do you market it to those businesses?

**MK** Exactly. Look, I suppose if you look at a different industry, different business that we focused on, the hotel industry is one of the biggest ones. And if you look at the kind of preferences that hotels have in general, it's a mix of floral, citrus and a bit of tea fragrances in there as well with a wooden undertone, and that's a very general way of describing it of course, but that's just based on talking mainly to marketing departments, talking about what your preferences are, what matches your brand. Yet, time after time, you see hotels still going back to something that appeals to different cultures as well, because you can imagine that a lot of different cultures visit a certain hotel.

**Marijn Kortekaas**

And if you compare, for example, Asia where there's a stronger preference for, let's say, citrus fragrances maybe to the Middle East where they like more spicy and more heavy fragrances. So hotels keep that in their mind when they design a fragrance.

**PS** Is there such a scent or fragrance that is old and stuffy, and very British?

**MK** Yeah, well the first thing I would think of is something with rose and something...

**PS** Smoke?

**MK** A bit of smoke in there as well yeah, a bit of leaden, a few types of leaden actually.

**PS** And how do you get the actual scent into the air, is it distributed through air, or is it in the polish on the floor and in the polish on the furniture? How did you actually distribute the smell?

**MK** Yeah, so what we do is ... let's see.... Our fragrances are oil based, they're fragrance oils and what we do is we diffuse those fragrances into the air through scent delivery units that we have patented and designed. So it's just based on cold air, there are no oil burners involved or anything that can cause any hazardous situation, but it's purely based on cold air that pretty much breaks up the oil, if you want, into the tiniest molecules and they defuse it into the air, preferably through the air conditioning so you get a nice even spread throughout the hotel lobby, or through a retail store for example.

**PS** So where does Air Aroma come from? Is it a local company or an international company?

**MK** No, it's a local company. Started in Melbourne 10 years ago and at the moment we don't call ourselves local anymore, but a *global* company, with 35 distributors around the world and a combined turnover of over \$25 million a year. So yeah, it started as a family business 10 years ago this year, and growing to a multinational company.

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**Marijn Kortekaas**

**PS** So who was the founder?

**MK** The founder was Mr Freinberg actually, he migrated with his family from Holland about 20 years ago, pretty much brought the idea from Europe, the idea of using scent to create a nice ambience. With his background in mechanical engineering and furniture design, he designed, I suppose, the outer of the machines to make it look a little bit nicer than just a little plastic unit that you might see on the wall in the toilet for example.

**PS** Yeah, yeah. And so it's become now a successful exporter as well?

**MK** It is, it is. I mean, if you look at our sales, more than 95 percent goes overseas, with Japan being our biggest market so far, but China and India are catching up very quickly.

**PS** Fantastic. Now, if people want to learn more about your company, how can they do that?

**MK** Yep, they can visit our website on [www.air-aroma.com](http://www.air-aroma.com).

**PS** Great. Thanks for joining us on *Talking Business*.

MK Pleasure Peter.

## Ken Wood

is the Founder and Managing Director of I.T. on TAP which provides IT solutions for small to medium business. Ken delivers affordable and effective IT solutions for this end of the market.

[www.itontap.com](http://www.itontap.com)

**PS** My next guest on *Talking Business* is Ken Wood who is the Founder and Managing Director of I.T. on TAP, which provides IT solutions for small to medium sized businesses. Ken discusses affordable and effective IT solutions for this end of the market.

Welcome to *Talking Business* Ken.

**KW** Thank you Peter.

**PS** Why don't you tell us a bit about I.T. on TAP? What is this company?

**KW** Well, this was born out of my own experiences as a small business owner, and those of my wife. We've started and run several small businesses, and like a lot of other people who've always has this frustration with IT at the small end of the market, what you have to spend in proportion to revenue, unreliable consultants, all the usual sorts of issues that you'd be familiar with.

**PS** Yeah, without a doubt.

**KW** So, I put my thinking cap on and thought if we go back to first principles and completely re-thought the way that small businesses use IT, could we come up with something that would address all the problems, and all the gripes and headaches that small business owners have. So I.T. on TAP was the result of that.

**PS** So, what happens if a potential customer is a Mac user rather than a PC user? Do you have an alternative for the Mac user?

**KW** Well, the Mac users are just fine. In fact, we have a number of Mac users because the way I.T. on TAP works is a hosted service, so our clients are just connecting to it over the internet and we have software to let them connect for a Macintosh just as easily as from a Windows PC.

**PS** Does it mean, I know in most business that can actually afford to have their in-house IT Consultant, that poor person is always being maligned by everyone in the organisation,

**Ken  
Wood**

because when something goes wrong they want it fixed yesterday, and they very seldom say thank you at the end of it. So have you, sort of, accumulated this mass anxiety across the internet and it's come back into your organisation?

**KW** Well, actually it was one of my surprises. When I did the original plans for the business, I forecast a certain amount of support costs, amount of calls that we get and staff that we need on the helpdesk, and it turns out I was way above the mark. We actually get relatively few calls to the support desk, and the reason is that the approach is very different to a small business. It's more run like a large enterprise, which means we're able to automate the management and the processes of the environment. We're able to tie things down and make it very, very, stable. So we very rarely have outages where a customer will ring up and say something's broken or not working. Most of the calls we get on the helpdesk are things like, I forgot my password, or can you remind me which button to press to do this?

**PS** Okay, so basically are you telling me this is not like someone's installed their system and it's not working and they can't work it out, then there's a terrible conversation between them and someone at the other end of the phone is trying to work out what level of nincompoop this customer is?

**KW** Yeah.

**PS** That's the old fashioned helpdesk.

**KW** That's the old-fashioned way, or the *helldesk* as it's called. The approach is quite different, and what I described is, as I say, effectively what we've done. We've reached out to our customers, we grabbed all the complexity and pulled it back into our own systems, so what we've left at their end is something very, very, simple. They just have a web browser and a connection to the internet, and there's only so many things that can go wrong with that.

**PS** So you've minimised the mistakes.

**Ken  
Wood**

**KW** That's right, if they boot their PC up, if they can start their web browser and connect to the internet, that's fine, we can take care of everything else.

**PS** So, in a sense, you systemised out all of the things that would create frustrations between a non-trained IT person at one end, and the *helldesk* at the other?

**KW** That's right. But also the other advantage of this solution is that if someone does have a problem, because it's all on our system and under our control, we can connect and look at their screen, we can see exactly what they're referring to. We don't have to rely on them describing the problem over the phone, and because we're managing the whole environment from top to bottom, we can very quickly get to the root of what the issue is and sort it out.

**PS** Only very recent I interviewed Steve Baumer for a major event in Sydney, and he was talking about *cloud computing*, and *cloud computing* sounds a little bit like what you're doing, that all the stuff we use to put into our computers are now going to be somewhere else, and we're going to be interfacing with Microsoft or whoever...?

**KW** It is and in fact *cloud computing* is just the latest bit of IT jargon for this concept that's been going on for a while. The concept is basically having somebody else out there who's a specialist run all the software and take care of everything for you.

**PS** Yeah, and I think Netsuite pioneered that sort of stuff in the business space about three or four years ago?

**KW** That's true, and so our approach is just slightly different to Netsuite or Sales Force, or companies like that. Those are single product companies, so if you want CRM software, Sales Force can provide that but they will still say, 'But the rest of your IT is still your problem'. Whereas our goal is to say, 'Look, you're a business owner, you're busy, you don't have time to think about this or be a specialist in it, we'll just take care of everything'.

**Ken  
Wood**

**PS** We're talking to Ken Wood from a company called I.T. on TAP. Ken, have you designed a business that doesn't require lots of people there?

**KW** It is a very automated business. I'm a process guy, I like that sort of stuff so I like systems and automation, and things that run that way.

**PS** And so, in terms of trying to explain this, see, SME people you know are busy, and so how do you actually... what marketing messages are you using to try and get through to them to tell them how easy it can be?

**KW** It is a new concept so we do some different marketing and we explain it as best we can. Our goal is always to get people to sign onto a webinar, which is like a teleconference where they can look at a screen and give a quick demonstration of the service, and when people see it working in 10 minutes or so, the light bulb goes on and they understand the concept.

**PS** Does it mean that their data, in a sense, is stored offsite as well?

**KW** It is, so everything's stored on our servers and, because it's all on high-end gear and it's managed by the technical specialist, it means we can backup everything, we can take care of the antivirus, we can have it all much more secure than it would be if it was on their own low-end servers in their office.

**PS** Do you use that as a sort of marketing edge to say, not only can we guarantee better help than you're use to, we also can store, and therefore you have less worries about losing your data?

**KW** We do, and when we're talking to a business owner we'd say, if you were to make a list of all the risks and problems that you have to do with IT and we run through it, I think we could cross off pretty much everything on your list, including security.

**Ken  
Wood**

**PS** What about privacy? For example, financial planners might be worried about their client stuff being stored somewhere else, is that something you've had to deal with for some specific occupations?

**KW** Not so much. We did have one prospect who didn't go ahead who was very interested in where the data was stored and what the laws were regarding access by the tax office, and things like that. But the situation there is that we consider our customers' data private, but at the end of the day, if the police show up with a warrant, we have to give it to them. Same as in any other case, but we've had much less concern about that than I thought. We're all quite prepared to show people the systems and the security and how their data's locked down, just for them, but it hasn't been as much of an issue. I think partly small business owners realise that at the moment they're somewhat at risk anyway, their systems are quite leaky and they've got a number of risks there that are all reduced when they come across to us.

**PS** I'm not going to name the companies but there are companies that have had a propriety product which people would buy and download and put on their computer for various business and non-business functions. Do they not like the fact that a company like you is coming along and will be replacing the need for SMEs that go and buy these programs and download them?

**KW** I think they've got a bit of a love/hate relationship with us. On the one hand, yes, one of the things we offer is a lot of open source software on our environment as well, which is free for our customers to use. That traditionally hasn't been taken up a lot by small businesses just because they don't know about the right software or where to find it.

**PS** I guess Adobe might be a classic case of that. It's rather expensive, they don't realise the value of it, and things like that?

**KW** Yeah, so we have some open source alternatives there, but, at the end of the day, if the client wants to use the commercial version they can see by a licence and we'll

**Ken  
Wood**

still install it for them. On the flipside, the advantage of our service is that we have to be squeaky clean, so we won't allow any piracy on our environment, everyone's got to be properly licensed, and that's been a big concern for a lot of software vendors about the small business space.

**PS** And, I guess if a client is actually using that software through you, they still would pay the fact that they're using that software?

**KW** That's right, we won't publish the software to them unless we have a valid licence from them. So we still have to go and buy the licence and pass it over, and we only licence the number of uses that they've purchased.

**PS** So it's an industry that's starting, but I guess you expect this to grow pretty big time?

**KW** Yes, it's got a lot of attention and, particularly, at the moment, in the current economic climate, everyone's watching their costs and thinking about preserving their capital, so we're getting increased focus, I think, as a result of that.

**PS** And I guess as Microsoft makes the word Cloud Computing become quite famous, it's going to be actually helping your business as well?

**KW** Nice for us because, yeah, they're talking about a service they plan to have available next year, and we've been up and running for two years, and we're ready to go.

**PS** [Laughter] So, before we finish, what is your website?

**KW** It's [www.itontap.com](http://www.itontap.com).

**PS** Thanks for joining us on *Talking Business*.

**KW** Thanks Peter.

## Anton Assad

is the founder and Director of Great Dane, a company with a unique retail brand, which sells everything from one-off vintage furniture pieces, to new homewares. We are talking about building a consumer discretionary retail business in challenging times.

[www.greatdanefurniture.com](http://www.greatdanefurniture.com)

**PS** My next guest on *Talking Business* is Anton Assad who is the Founder and Director of Great Dane, a company which is a unique retail brand, selling everything from one off vintage pieces, to new homewares.

Welcome to *Talking Business* Anton.

AA Thanks Peter, thanks for having me.

**PS** Alright, so where did the idea for Great Dane come from?

**AA** The idea actually came from, I guess, my own passion for furniture and finding that I was unable to find what I was looking for in the marketplace, especially in Melbourne. I just decided that if I had a passion for it and loved it, then there must be other people, and I saw a gap in the market.

**PS** Okay, so what is the kind of furniture? You're not like a Copper Art guy? [Laughter]

AA [Laughter] No. I mean, what we've built is a business that was, when I first started, really a vintage piece out of Denmark from the '50s and '60s that we then restored and reupholstered for the customers. That was how we started and that's what the business started as, but overtime it's changed and developed into a much bigger business now, where we have our own workshop that restores everything, and we sell in Melbourne, Sydney and Brisbane showrooms. We also work with old designers out of Denmark who are still alive and we work with old companies out of Denmark who are still producing furniture but perhaps not those pieces anymore. So now it's a much bigger business where we do old and new, and that's why I got into it, because I felt that there was a real gap in the market for this product in particular, and I knew that if, overtime, I could actually engage the companies, the manufacturers in Denmark and the designers, and reintroduced the old furniture... I felt there was a really good business model.

**PS** Okay, why don't you fill us in on your, sort of, furniture history here? Does Denmark have a rich and a great tradition?

**Anton  
Assad**

**AA** Yeah, Denmark's got a 300 year old cabinet making history, but predominantly what we sell is from the mid 20th century, and if you look at that period pre World War II and post World War I, the Danes were very progressive in regards to their production. They were able to mass produce items but still hold it true, it would still maintain its integrity and its quality, which was sort of a very old-school tradition. They also had very strong social networks where they had trade fairs, but they were almost like a running commentary on furniture where designers would bring in new things they were working on, and people in the industry would give comment. So there was a real *work together* mentality, a very socialist idea, but I think it really helped enable the Danes to become so very successful during that period in design.

**PS** Are there Danish brand names we would know but we don't know they came from Denmark?

**AA** Yeah, I mean, you would know the designers, people like Arnie Jacobson who did the egg chair and the swan chair, Hans Wegner who was probably considered the most prolific chair designer from the 20th century, and Finn Julh who was very early in the '20s and '30s.

**PS** So, our butts would know these people? [Laughter]

**AA** Exactly, there you go.

**PS** Yeah, okay. But are there well known names that we actually saw in upmarket furniture stores that came from Denmark?

**AA** In the period there was actually a lot of Australian manufacturers who were taking inspiration from Danish design, and making it here locally because they were trying to emulate what the Danes were doing, and there was things like Danish Deluxe, Browns out of HT Brown, which was out of South Australia, so there was a few brands...

**PS** Chris Wood Furniture would have copied Danish stuff.

**AA** Would have got inspiration from that, all of those companies either had Swedes or Danes working for

**Anton  
Assad**

them, or they took inspiration and made it here because they couldn't afford to import the products. So it's had a long standing impact on design I think in Australia. Oddly enough, there was a very strong connection between Scandinavia and Australia in the '60s which, for some reason, kind of seemed to blossom and I think created this kind of open portal where there was a lot of design and trade going on between the two.

**PS** Okay, so we're talking to Anton Assad from a company called Great Dane. So, when did you start Great Dane?

**AA** Five years ago I started it.

**PS** Okay, and how has it manifested itself in Melbourne? Do you have stores that have Great Dane in it?

**AA** Yeah, we have one, we had our flagship store which is in Melbourne in Prahran, and we started originally in a garage, literally in a roller door garage, five years ago. Then we opened Sydney about four years ago, which is in Redfern. We also have a showroom in Brisbane as well, so we're national on the East Coast, and then we're also looking at Perth and online as well.

**PS** So, how big is the company in terms of the people you're employing?

**AA** We employ around 16-17 people fulltime. We have our own workshop which is based in Melbourne and it has got 6 fulltime restorers and cabinet makers who literally go over every single piece of furniture that comes into the showroom before and is restored to a level that isn't matched anywhere in Australia, or even in Europe.

**PS** Okay, now I'm sure that you've got the entrenched lovers of this traditional furniture.

**AA** Collectors.

**PS** Collectors, okay. But your challenge of course would be to introduced to a new market, and I guess one of the reasons why you're on this program is hoping that

**Anton  
Assad**

people will hear about it and think about it, but what is the marketing strategy for this kind of...?

**AA** It's a very good question because our marketing strategy to start with... Even when I first started I understood that there was limitation by what you could do with vintage furniture, because obviously there was unreliable sources. So, the first thing I did was I started working with people straight away, soon as I started I had to go out and find the manufacturers who were producing things again. So we did that, but the marketing strategy now is to take this product and ensure that we maintain the quality and integrity of the vintage product and get it to a new market who are looking for those values in the furniture that they want to buy today. We're, in a way I think, helping to create that at the same time as exposing people to that and bring those customers. To start with, it was all collectors and connoisseurs, but now the majority of our customers are people who are just looking for well designed furniture that has the quality and integrity of old-school traditions, with the modern elements of today.

**PS** So your challenge of course is to come up with something unique in the marketing area to make people, for example, like me who historically hasn't bought Danish furniture, but I'm instantly interested because it's kind of the space I know my wife would be in, because she's got more class and style than I have.

**AA** [Laughter] You're so hard on yourself.

**PS** No, I'm very realistic mate, I confront the brutal facts. But the point I guess I'm trying to make here is that there also comes a time when discretionary consumer groups are going to find a bit of a challenge in these economic times, so do you have a unique strategy to get the cut through?

**AA** We have a marketing strategy that's in place that really, I think, clearly communicates to our clients that what they buy from us is a product that has quality and integrity. But even in a time when you're maybe thinking, do I really

**Anton  
Assad**

want to buy that, if you're going to buy it you should buy the things you're going to keep, and our marketing has always been *buy once from Great Dane, don't buy again*. You're buying something to keep it and we communicate that very clearly in our marketing strategy – which is online, as well as in magazines. We do national advertising and we have a strong communication message that's put in all our showrooms. So as well as the staff, our marketing strategy is really about educating these people and ensuring they understand what they're getting from us, it's not just a product, it's actually more than that.

**PS** And a lot of this stuff is refurbished here in a sense, isn't it? So, there's stuff out there you're buying and you're refurbishing and bringing back to the market?

**AA** Well, oddly enough one of them... which is probably something to talk about in the current market... Obviously any business is looking for revenue models to grow the business and maintain its growth in a positive way, so because we've built up such a strong reputation for restoration, we now actually offer a service because we have all of that setup. Now we're just starting with a second whole revenue stream which is great for the business, it's fantastic, and you use all the skill set we've built up over the last five years.

**PS** And you do like an ongoing model?

**AA** You know, for people who go, 'Well, I can't really afford that, or I don't want to buy something new, so why don't I get what I've got and restore it?'. Well, we can offer that service and you know that the quality and integrity of what we do is still going to be there with the rest of us.

**PS** Alright mate, if people want to know more about you, what's the website?

**AA** The website is [www.greatdanefurniture.com](http://www.greatdanefurniture.com).

**PS** Mate, thanks for joining us on *Talking Business*.

**AA** Pleasure, thanks for having me.

## Neville Brown

is a Systems Analyst in BT, and an Ambassador for International Day for People with a Disability. He joins us to describe the unique challenges and opportunities for both employers and employees with disabilities in the workplace.

[www.idpwd.com.au](http://www.idpwd.com.au)

**PS** My next guest on *Talking Business* is Neville Brown who is a Systems Analyst at BT, and an Ambassador for International Day for People with a Disability. He joins us on *Talking Business* to discuss disabilities in the workplace.

Thanks for joining us on *Talking Business* Neville.

**NB** A pleasure Peter.

**PS** So tell us, Neville, how did you end up in a wheelchair?

**NB** I'm one of the lucky people with multiple sclerosis, so I walked around wobbly for seven years, walked around on sticks for a couple of years, and then went, I've had enough of this, and got onto the wheels.

**PS** Okay, so is there a sort of cult mentality of all you guys and girls on wheels?

**NB** We do represent something of an enclave in the community, yes. But, I mean, the challenges we face are just very, very, different, so you have to adapt.

**PS** Well, the classic example for us today was we were recording unusually in a studio above ground and when you turned up they said, 'Neville's in a wheelchair, we have to fixed this up', and we did. People are adaptable, is this something you find?

**NB** People are always happy to help, but the classic thing is, you know, I'd really like to be able to do it myself and accessibility really doesn't cost an awful lot if you plan for it up front.

**PS** So tell us then, what is the planning involved, you know, like is it you that has to plan, or is it us? Like, some people who designed businesses, designed homes, have not thought that they might have a friend like you in a wheelchair?

**NB** Exactly, and where I am currently working they had a disability consultant employed right from ground zero, set the building up so there was nowhere I can't get to. And you

**Neville  
Brown**

look at what they had to do, it really wasn't all that much, they just made sure the design catered for it up front.

**PS** Why don't you just tell us before we have a bit of fun, and also a bit of a serious conversation about what it's like to be in the workplace, tell us about this *International Day for People with Disability*?

**NB** It started off as a UN sponsored international day, the *International Day for People with Disability*. Of course the Aussies, being a little bit more feral than the rest of the world...

**PS** We can be like that...

**NB** ...then turned that into the *Don't Dis My Ability* campaign. What it's all about basically is just trying to say, look we've got skills, we've got value we can add, look beyond the façade, look at the person, because the person probably has a lot to offer.

**PS** Well that's actually quite an interesting point. I know I wrote a story in the Australian once upon a time, but there's an enormous number of people with disabilities that have got fantastic skills and people don't even think about looking for those sorts of people when they're employing someone?

**NB** That's exactly it. I mean, yes I'm a Systems Analyst by the official title, I speak an obscure dinosaur flavour of computer talk and that got me in through the door, but fortunately BTFG were happy to look beyond that this guy's in a wheelchair and go, 'this guy has skills that we need'. And really, the whole *Don't Dis My Ability* campaign, the focus that's on that is we're not really asking for special deals or anything like that, what we're saying is treat us as a person, not a disability with a heartbeat.

**PS** Yeah, and I think that the demand upon big business is sometimes easier to deliver on, small businesses often would find it hard. I know in my own workplace, we work in a very old Victorian building and there's no way in which, either a customer or an employee could get to our level.

**Neville  
Brown**

Do you find it's one of the big problems for you guys finding work with small and medium sized businesses?

**NB** It's certainly something you have to consider, yes.

**PS** Yeah, because it's just something that's even hard for the smaller business to even define the money to actually provide for those facilities?

**NB** One of those classic things that I find all the time is simple things become very complicated, and you've just got to plan ahead.

**PS** We're talking to Neville Brown and we are talking about the *International Day for People with Disability*. How long has the program for this day been going for, and what kind of impact do you think it's had on employers and businesses?

**NB** The *International Day* has been running for a few years. I've been involved in it for the last two. What sort of impact? Hard to quantify, but if we have done anything in terms of just raising people's awareness and making them not necessarily even say yes, but just consider, then we've done a good job.

**PS** What is it you like to get inside our thick heads? Because men in particular, we do have thick heads, we're slow learners, most of our wives and girlfriends have found that along the way. What's the message you like to get through to people who potentially could work with someone with a wheelchair? What's the mindset we should have?

**NB** The mindset that I always want to portray is, *judge the person, not the disability*. I mean, again, this was the line that was occasionally used for this day last year, which was, *don't judge by what we can't do, celebrate in what we can do*.

**PS** Has Steven Hawking been positive for all people with disabilities?

**NB** He had certainly put a very, very, prominent name on the whole, *yeah okay I've got to deal with these externals in life, yeah that doesn't mean I'm not still a brilliant mind*.

**Neville  
Brown**

**PS** And he's also, in a sense, so attractive that he's become a feature on *The Simpsons*, which I think is an enormous achievement for anyone!

**NB** I'll leave that judgement to you.

**PS** [Laughter] So if you had a magic wand and you could change things in the workplace, what would be the things that you would like to see happen over the next, say, five years?

**NB** I have to dredge into another event. My Monday off this week, we did *Wheels for a Day*, which is an event that I've been involved in with Paraquad, which is the Paraplegic & Quadriplegic Association. We managed to get half a dozen top funds managers/CEOs into wheelchairs just to show. One of the things they found, part of the rules was they had to go to an accessible toilet, so one of the guys followed the sign down the corridor and found it blocked by a door that he couldn't get open. It's the same sort of thing, and you get a different perspective when you're actually there first hand, trying to grapple with it on a set of wheels. So in terms of the message it's just, be conscious of that it's not always as straightforward as you think it is, and get other people to buy into it.

**PS** Do you get annoyed when people try too hard to treat you special? It's a balance some people totally disregard, like David Brent in that episode of *The Office*. But the flipside would be... I recall once I was with a magistrate who was elderly and she was in a wheelchair in an airport and one of the staff came up to help her and she was shouting at her. I remember her saying, 'Just because I'm aged and in a wheelchair, it doesn't mean my hearings failed'. So do you get those sorts of expectations that you're not normal because...?

**NB** I have had similar conversations with people. There's a couple of things. I mean, the first thing is to always remember that my set of wheels is part of my personal space, don't go helping yourself. I have a personal rule, which is if somebody offers to help me, sometimes I say

**Neville  
Brown**

yes, sometimes I say *no*, but I always say *thank you for the offer*, which I think is sort of then dovetailed in as, *by all means offer, but don't assume*. Even it seems that it would be a little bit odd, what somebody is doing... Part of dealing with a disability is, invariably you figure out your own ways of doing things, you figure out what works for you, so don't assume that, just because it looks odd to you, that it's necessarily odd, because it probably works for the persons who's actually in the box seat.

**PS** I guess what you're basically saying is that no one wants to be treated as though they are handicapped and can't do what they want to do, but it's great to respect people and say, *is there any way in which I can help?* If not, get on with it.

**NB** Absolutely.

**PS** Yeah, great stuff Neville. Thanks for joining us on *Talking Business*.

**NB** Pleasure.