

Sharing a secret recipe

Claire Heaney

RUNNING a small or medium business can be isolating — and when issues arise it would be great to have a sounding board.

But there is low-cost help out there if you make the time to look and one avenue is via CEO Online.

The online business information portal grew from the work of the CEO Institute. Established in 1992, the institute provides networking, learning and mentoring opportunities for businesses.

From both initiatives has come *40 CEO Success Stories*. Edited by Joanne Neely, the book brings

together a series of success stories featuring small and business owners.

There's the inspirational Safetech business, based in Moe, which won a Telstra award and continues to provide valuable jobs and money for the rural community.

There's the fairytale story of Margot Spalding, who founded Jimmy Possum Furniture with her husband Alan. It is now a key employer in Bendigo.

Ms Neely said the book would be a great resource for businesses looking for advice or for people looking to launch a business.

40 CEO Success Stories, edited by Joanne Neely, pp \$29.95. www.wilkinsonpublishing.com.au

Case studies

The Readings story

MANAGING director Mark Rubbo is in partnership in the Readings Books and Music with stores in Carlton, Hawthorn, Port Melbourne, Malvern and St Kilda.

When Borders came into the already highly competitive market, they had to look at ways to stay competitive.

Mr Rubbo said while they could not compete with big players on price they could compete on service.

"We focus on providing service. Our staff are better paid, so we are able to get more committed and professional workers," he said.

"I believe our service levels have improved; we are paying a lot of attention to having the right number of staff at the right times."

He said the rising competition forced Readings to put more money and effort into the finance and administration side of the business.

Among the initiatives to improve business was to outsource Information Technology and employ a management and financial adviser.

The business also has employed a marketing manager, developed new logos, ensured there is a consistent design and a professional approach in any partnership it undertakes.

When Borders arrived in Carlton the Readings business took a beating. But Readings, thanks to the initiatives has recovered.

The Peregrine story

POST-September 11, 2001, tourism operators suffered as people decided to stay home.

Melbourne-based Peregrine Adventures was no different.

Founded in 1977, the business began running guided treks to Nepal for people who did not want to avoid mass tourism.

By 2001 the business had grown to a turnover of \$35 million.

Glencye Johnson, who is now the managing director but was then the financial controller, had to restructure the business. It was a difficult challenge to keep morale up and maintain skills.

Staff left both voluntarily and were made redundant, executive salaries were cut by 10 per cent and some had to take reduced hours.

She said retrenching staff was the most difficult aspect of the challenge.

"In this industry, people make friends quickly because they are always talking about travel... it is very hard to watch people saying goodbye to their friends," she said.

Through cost-cutting the business survived.

But incentives are now an important part of a business. The company has high staff retention rates.

The Alltruck story

TONY Romano suddenly found himself unemployed, when in 1991 he was rocked by the abrupt closure of the truck body manufacturer he had worked for since leaving school.

He found another job but was not happy with it.

Six months later he approached his former work colleague George Mitrousis with a plan.

"Why not start our own company?" he said.

While the step was impulsive they were both up for the challenge.

"We did not need to make a lot of money — just enough to pay the bills," he said.

Alltruck Bodies now employs 85 people at Dandenong and Brisbane.

Its output is now 20 to 25 truck bodies a week and its turnover for 2006-07 exceeded \$20 million.

The Carman's story

IT'S the stuff of fairytales. At 18, Carolyn Creswell was working part-time for a small cereal outfit. The owners decided to sell and with her \$1000 life savings she bought them out.

Over the years she grew the business. It went from making a tonne of muesli a week to 30 tonne.

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Carman's Fine Foods, which produces muesli and breakfast bars, is now stocked in supermarkets and is on the menu of Qantas.

She said she had to make appointments with supermarkets to get a hearing.

At the time there were plenty of rejections which she now believes was because muesli was considered less mainstream.

The Clyne Foods story

IN 2004 when Sunbeam Foods merged with dried fruits competitor Angas Park, the options for growers were dramatically reduced. Like many people, Norm Clyne, a Warracknabeal roads contractor, was concerned.

He believed a business that processed and packaged Australian fruit could be a winner.

Building on his business relationships, he set about starting a business. He invested \$5 million to build a processing and packaging plant, trained staff and started production.

Its five-year target was to produce 500 tonne of fruit. This was met in the second year.

But the enormous rate of growth put pressure on the business and he could not get his bank to increase his credit limit.

He was able to get by borrowing \$2 million from family and friends.



Tuck in: Carolyn Creswell is a dab hand at making muesli.



Inspiration: Safetech's Lindsay Wakefield and Bruce Cox.

However, this did not meet the payments owed to farmers.

Through communication with farmers they were prepared to accept late payments.

At the start of 2006 he employed a former banking employer to manage the banking side of the business. The new finance manager wrote a five-year business plan and put it out to tender.

By August, 2006, Clyne Foods had a new banker and a new credit limit of \$4.5 million.

Mr Clyne then recruited an exper-

enced marketing manager to spread the word that Clyne was a stable, reliable supplier.

Debts to family and friends have been repaid.

The business now boasts just under 20 per cent of the Australian domestic dried fruit market and 10 per cent of the export market. It buys from farmers in Victoria, New South Wales and South Australia.

In 2006 Clyne Foods won a Telstra award and has won a government grant to train staff.

They said it!

“ Know your market and sell to your strengths.

“ Don't panic! Treat new competitors as a chance to reinvigorate your brand and your business.

“ If your business faces a severe challenge, look for opportunities to change and grow stronger.

“ Are you giving your staff reasons to stay with your business?

“ Do you run away from the first 'no'? Perhaps you just spoke to the wrong person on the wrong day. Keep trying.

“ If you take no risks, you have no chance of success.

“ Are your skills entrepreneurial or managerial? Few people have both, which is why you need expert help.

“ Are you getting the best deal? Try putting your business out to tender.

Source: 40 CEO Success Stories.

Emission report more than just hot air

Ask an expert

Anthony Bell

I'VE just read something about a mandatory carbon emissions reporting scheme for businesses, called the National Greenhouse and Energy Reporting Scheme, which comes into effect next month. Can you tell me what's involved?

THE National Greenhouse and Energy Reporting Act 2007 was introduced to replace different State-based emissions reporting and abatement programs that require certain businesses to report their emissions and emissions offset data.

According to the Federal Government, the Act will require about 700 companies to report their data. They have to register if they emit greenhouse gases, produce energy or con-

sume energy above certain levels across the financial year.

This will have an impact on businesses that produce electricity, engage in manufacturing or production that emit greenhouse gases or use large amounts of energy.

Small businesses are not likely to be affected in the earlier stages of the program.

No doubt you would also be aware of "carbon trading".

The requirements that are phased in on July 1 don't accompany carbon trading at this stage, but such trading will no doubt be a part of the requirements in the near future.

The best place to get information is the Department of the Environment and Water Resources at www.greenhouse.gov.au/reporting.

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