

A MEETING OF MINDS

Like most new companies, BRW Fast Starters are not afraid to seek advice – sometimes from the most surprising quarters.

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EVERY BUSINESS NEEDS a helping hand, and small, fast-growing companies need it more than most. About two-thirds of the BRW Fast Starters have used a business coach, adviser or mentor to help build their business.

But it is not just lawyers and accountants that they turn to. Advice can come from peer support networks, government organisations, human-resources consultants and even competitors.

Three businesses – DK Blue, Antenna Business Development Agency and Healthy Habits – are members of the global peer network Entrepreneurs Organisation. Membership of the organisation (which was formerly split into two groups, Young Entrepreneurs Organisation and World Entrepreneurs Organisation) is restricted to business owners whose companies have revenue of more than \$1 million. EO has Australian chapters

in Sydney, Melbourne and Perth. Members meet monthly to listen to a guest speaker, usually an entrepreneur who will talk of personal experiences in starting and building a business.

Members are also split into small peer groups of six to 10 people. These groups also meet monthly, and one person talks to other members about an issue in their business. The others can then give advice, with one important proviso. They can offer advice only if they have experience with the issue in question. The annual fee for the Sydney EO chapter is \$2450, with a \$650 joining fee.

Danny Kordahi, the founder of DK Blue, which specialises in corporate uniforms, print management and promotional material, joined EO in February last year after meeting an old friend at a school reunion. “He started asking me about my business and suggested I should think about joining

EO.” Kordahi researched similar peer-support networks before making his choice. “I didn’t want to go anywhere you are trying to sell your business rather than looking for advice.”

Kordahi says he sometimes finds it hard to talk with family and friends about problems in his business simply because they have not had the same experiences. But EO chapter members – who come from sectors as diverse as IT, waste management and human resources – can offer a wide range of views on business and life.

“The great thing is that you get to share the experiences you have in your business,” Kordahi says. “There are people from every walk of life and they all have different views and plenty of different people that you can turn to for advice. That becomes like your business family.” The process of peer assessment can be rigorous and

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confronting. "I was asked questions about my business that I couldn't answer – and it scared me."

Kordahi has also been lucky enough to strike up a friendship with recruitment industry veteran Julia Ross, founder of the listed recruitment company, Ross Human Directions. She has agreed to act as his mentor and they meet once a month for two or three hours.

Importantly, it is not just a general chat. Kordahi says he gets real, practical solutions from their meetings. "Twice I've come back from a meeting with Julia and changed things the next day."

BRW's survey of Fast Starters shows that although entrepreneurs are hard-working and passionate, they often struggle with the wider strategic issues that growing businesses must tackle. This is where advisers – including mentors, advisory boards and professional service providers

such as accountants and lawyers – come in. Sometimes, advisers are used as a sounding board for ideas or to confirm that things are on the right track. But more commonly, advisers are asked to help with issues of planning and financial control. They typically provide the Fast Starters with assistance on business plans, budgets, cash flow and setting margins.

It is the boring but important stuff that entrepreneurs seem to struggle with. The founder of the financial services company, Aspire International, Craig Turnbull, got help from Action International coach Leisel Speranza. "[She] helped us plan and helped us stop to think about how to implement our crazy ideas. She made us create budgets, timelines and 90-day, 12-month and five-year plans and kept us on track and accountable." Speranza must have liked what she saw – she is now Turnbull's business partner.

Harbour Day Spa and Salon founder Leanne Morris has used a variety of outside advisers to help build her business, including a public relations specialist and a marketing guru who was bought in before it was even up and running. "That's the one person you need from the beginning to help you understand your branding and your footprint in the market."

Human-resources consultants were also brought in to help with one of the biggest issues – staff retention. When Harbour Day Spa's two senior hairdressers could not resolve a personal dispute, Morris employed a human-resources consultant who introduced the team to Myers-Briggs and DISC personality profiling.

Although using these personality tests have not improved staff retention in any great way – Morris says beauty and massage therapists are a transient bunch – it has made for a happier workplace.

Morris and her staff learnt a lot more about their own personality types and how to work with different people. "What it does do is make everyone's time here more enjoyable," she says. Even the warring hairdressers managed to patch up their differences. She also has one of the more unusual groups of advisers among the Fast Starters – an informal peer support network made up of rival hairdressers, beauty therapists and day spa operators in her local area around the outer Brisbane suburb of Cleveland.

She says she found bigger business associations were too big and often pushed the agenda of the

Good advice

- Don't just rely on the usual advisers such as lawyers or accountants. Peer-support networks can provide practical and brutally honest advice.
- As the war for talent intensifies, consider adding a human-resources consultant to your network of advisers. They can help you introduce profiling, training and retention programs to keep your best staff happy.
- Don't ignore competitors as a source of advice. They will understand the problems you face and may be able to offer solutions. Conducting joint training or purchasing with competitors can also cut costs.

biggest and most powerful companies. "I find that in small groups people talk more easily."

Morris picks group members carefully and only selects people she thinks are honest, open and trusting. She says people can be slow to open up to a competitor, but once they understand the philosophy of the group they are more trusting. Stealing business is not an issue – keeping local customers in the local area is the priority. "We're not really in competition with the local operators. We are in competition with operators in the city."

The group works several ways. Sometimes members will just go out for dinner to talk about their problems and how to solve them. Members have also allowed each others' staff to visit their premises as "mystery shoppers" and provide feedback on the service they received.

Members of the group have also conducted joint training sessions and bought supplies in bulk to cut costs. Morris has even helped a local hairdresser find a new staff member. "We had two great recruits we couldn't decide on, so we kept one and gave one to the guy down the road."

Morris says help from outside experts has been invaluable, particularly as the business has expanded. But she warns budding entrepreneurs against bringing in advisers or consultants too early. Most small businesses struggle to afford outside help when they are getting off the ground. But Morris says there is no better way to learn about what makes a business work than to work in it. "We couldn't have just sat back and let managers run the business; we had to learn about it." ●