



6 | Index

8 | Editorial

9 | Letters

● FYI

10 | Reforms may boost financial advice

11 | How the BRW Rich 200 invest

12 | CEO Q&A: Greg Bourke, Patties Foods

13 | Question Time: R&D activities

15 | Health: Hypothyroidism

16 | Coal barons return

● ECO

20 | Population poser

Chris Richardson on migration policy.

21 | Smart beats lucky

Phil Ruthven on the standard of living.

● BRW FAST STARTERS

24 | No hurdle too high

Fast start-ups have avoided the slowdown.
Jane Lindhe

28 | The 2010 BRW Fast Starters list

Australia's 100 fastest-growing companies.

30 | Virtual power

Business model targets privatisation.

Anthony Sibillin

34 | Open all hours

Innovation pushes internet shopping.

Jane Lindhe

38 | Social beings

Successful online platforms need strategy.

Jessica Gardner

42 | Winning women

Entrepreneurial gender balance changing.

Kath Walters, Judith Tydd and Gillian Tan

46 | Mexican wave

Entrepreneurs embrace an old cuisine.

Gina McCall

50 | The biggest winner

Losing weight leads to a growing business.

John Stensholt

52 | Training, gaining

Professionals will always need coaching.

Leo D'Angelo Fisher

56 | Astute recruiters

Strategies to hire the right talent pay off.

Dan Hall

● THE BUSINESS END

60 | Corporate world war

David James

Comfortable growth:

Milan Direct's Ruslan

Kogan, left, and

Dean Ramler take a

break; 'Open all

hours', page 34

18

● SMART TALK

Brumby's Bakeries'

Michael Sherlock

on the road map

to success

In a weekly column featuring successful entrepreneurs, the high-profile franchiser

underscores the importance of implementing a thorough business plan.

61 | Leo D'Angelo Fisher: Personal tragedy

62 | Neil Shoebridge: Social networking

62 | Simple plan

Leo D'Angelo Fisher

63 | Management Update

● EMERGING COMPANIES

64 | A break with the past

From auction house to virtual trading.

Jane Lindhe

66 | John C. Lyons: Perceptions

66 | Child's play

Emily Chantiri

● LIFECYCLE

68 | Assist

Craig Winkler, Xero

69 | Moving on

Susie Tegen, RANZCO

● PROFESSIONS

70 | Industry's big stretch

Agnes King

71 | David and Goliath battle

Judith Tydd

● PROPERTY

74 | Hot and homeless

A lack of new housing threatens economy.

Dan Hall

● INVESTMENT

76 | Bank shares: Will they keep rising?

Jeff Hutton

77 | Damon Frith: Patchy global growth

78 | Tony Featherstone: Commodities

79 | Platform not for high dive

Anthony Sibillin

79 | Review: Perpetual concentrated equity

80 | Market update

● DAVID JAMES

82 | A thinker unparalleled

	State	Industry sector	Chief executive/s	Staff	Turnover 2008-09 \$	Growth 2008-09 %
Power & Gas	NSW	Electricity, gas, water and waste services	James Myatt			
s Direct	Vic	Retail trade	Braeden Lord			
.com.au	Vic	Retail trade	Gabby Leibovich			
	Vic	Retail trade	Alexander Tsintsiper,			
al Holdings	NSW	Professional, scientific and technical services	Graeme Fowler	33	72,756,000	110.99
Management	ACT	Construction	Michael Snare, Brenk Ig	112	65,025,374	131.18
	NSW	Professional, scientific and technical services	Hernus Carelsen	30	32,904,339	77.19
p	Qld	Retail trade	Yury Karpowicz, Jaror Fenster	30	17,724,603	10.90
	NSW	Information media and telecommunications	Andy Fung	110	16,946,221	58.55
Group	Qld	Manufacturing	Daniel McGee, n Bilston	35	13,340,952	42.11
	NSW	Other services	Scott Penn	50	9,883,368	38.19
	Vic	Transport, postal and warehousing	Naresh Gulati	8	9,789,096	288.01
nstruction	Vic	Construction	Larry Kestelman	42	9,783,619	43.69
lia	NSW	Wholesale trade	Chris Taylor	50	9,651,457	119.72
	Qld	Wholesale trade	Vanessa Garrard	14	9,506,005	465.68
al Technology	NSW	Financial and insurance services	Brent Jackson	5	9,483,539	50.98
	Vic	Retail trade	Ruslan Kogan	10	8,979,103	5233.91
	NSW	Administrative and support services	Gary Denton	14	8,912,732	122.10
	NSW	Other services	Ben Ashton	16	8,843,322	0.93
ct	NSW	Wholesale trade	Ty Pedersen	49	8,800,000	285.46
	NSW	Professional, scientific and technical services	John Massey	17	7,942,643	162.24
han & Associates	Vic	Administrative and support services	Suzanne Pearson, St	30	7,581,147	93.04
Mex Grill	Vic	Accommodation and food services	Jeff Allis	115	7,529,546	196.05
ustrial Rental	NSW	Rental, hiring and real estate services	Simon Mair, ianno	9	7,019,061	62.56
solutions	Vic	Professional, scientific and technical services	Conrad Bates, Came	10	6,945,073	81.91
	Vic	Administrative and support services	Andrew Staite, n Trueman	48	6,591,720	32.97
and Aluminium	NSW	Manufacturing	Matthew Hartley, ron V	192	6,411,251	57.90
nications	NSW	Information media & telecommunications	James Spenceley	16	6,368,005	70.34
	SA	Professional, scientific and technical services	Greg Ward, Wall	24	5,856,000	74.29
	NSW	Administrative and support services	Jo Burstson	20	5,841,415	168.93
	WA	Information media and telecommunications	David Okulicz	15	5,156,547	91.36
nnel	NSW	Information media and telecommunications	Craig Cohen	18	5,113,907	3237.75
	NSW	Retail trade	Natasha Luke, Hal P	25	4,754,861	41.05
nsulting	NSW	Information media and telecommunications	Grace Chu	4	4,740,000	117.93
u	Vic	Information media and telecommunications	Katie May, ritcha	26	4,595,000	86.71
itment	NSW	Administrative and support services	Paul Foster, Simon F	14	4,585,137	19.80
	NSW	Arts and recreation services	Darren Waide, rd	7.5	4,514,479	62.55
ill	NSW	Retail trade	Gabrielle Manning, logg	15	4,296,605	76.24
	Vic	Retail trade	Ruslan Kogan, Dean	26	4,213,592	69.78
onstructions	NSW	Construction	Luke Whittington, Sh	7	4,154,460	228.07
	Qld	Rental, hiring and real estate services	Jim Noort, Raml	9	3,631,012	12.15
hez	NSW	Accommodation and food services	Steven Marks, aun F	16	3,619,264	31.14
agement	ACT	Administrative and support services	John McCluskey, er	6	3,614,856	77.34
	Vic	Professional, scientific and technical services	Holly McErvale, Hanley	38	3,505,384	84.15
	NSW	Information media and telecommunications	Sam Riley	24	3,440,423	96.16
anagement Group	Vic	Professional, scientific and technical services	Terence Jeyaretnam	50	3,359,050	47.18
	Vic	Professional, scientific and technical services	Sean Martyn	3	3,232,228	91.01
	Qld	Education and training	Rob Nixon	28.5	3,148,000	70.81
	Vic	Information media and telecommunications	Peter Styles	15	3,062,463	124.46
em	NSW	Professional, scientific and technical services	Neil Ackland	29	3,054,556	88.46
	NSW	Wholesale trade	Miranda Bond	30	3,000,000	20.00
				10	2,842,089	101.09
				11	2,726,539	173.59
				6	2,596,690	252.90
				19	2,594,255	85.06

with his brother Hezi in 2006. "During the economic downturn we were growing at 15 percent a month with 400,000 customers. It was the best thing that ever happened to us."

Catch of the Day – which sells one television at a highly discounted price – sold more than \$1.5 million worth of Samsung televisions in 2009. Today, the company turns over an average of \$1.5 million worth of stock a day and its revenue will grow from \$32.9 million in 2009 to more than \$60 million this year. It debuts on this year's Fast 500 list in third place.

"The ability to clear stock, as compared to brick-and-mortar retailers, is phenomenal. It's very efficient," he says.

One of the benefits of operating online is the ability to move inventory very quickly and simply, Leibovich says. The year Catch of the Day launched in

the sights of the retail revolution and they're now selling using the same tactics. —
Jane Lindhe

Report:



New Zealand and it has also recently spent about \$100,000 building its new online venture Scoopon.com.au. The website will sell experiences, tickets and restaurant deals rather than products.

However, fast growth is not without its pitfalls, Leibovich says. Increasing customer registrations have increased Catch of the Day's website traffic substantially, causing it to crash about every two weeks. As a result the company has made close to a \$1 million dollar investment with IBM to rebuild its website. "It's a catch. You want the customers but you also need the investment in technology," he says.

Online sales continue to represent a small proportion – about 5.5 per cent – of total retail sales in Australia. That figure has grown an average of 5.3 per cent a year for the past five years, however the proportion of people

Showing the big boys:
Catch of the Day's Hezi
and Gabby Leibovich.



Greg Newington, Erin Jonsson, Jim Rice

PRIME POSITION

The internet is a lot like real estate – position is everything. Companies that fail to make it to the first page of search engine results are generally considered less desirable than those listed in the first few.

Demand for premium online real estate is rising, as shown in this year's **BRW Fast Starters**. This year three companies, Amblique, SponsoredLinX and First Click Consulting make it onto the list.

First Click Consulting is the largest search engine optimisation company by revenue on this year's list. It had sales of \$4.3 million for 2008-09, up 76.2 per cent on the previous year and is ranked 34 on the list. It has hired former Google's Melbourne head, Mark Armstrong, to run its new Melbourne office.

Amblique jumps from 91st position last year to 62nd, with a 47 per cent

increase in revenue to \$1.8 million. SponsoredLinX debuts in 90th position, more than doubling its revenue to \$1 million.

First Click – which counts Australia and New Zealand Banking Group, realestate.com.au, Foxtel and Fairfax Digital among its clients – expects revenue to rise by more than 160 per cent this year.

Founder Grace Chu – a former eBay Australia marketing manager – says the downturn had a counter-cyclical impact on search engine optimisation. While the marketing budgets of many companies fell, budgets for search engine optimisation increased, she says.

"[Search engine optimiser] companies are getting better at linking the technical information back to a business and marketing result. The

return on investment is very measurable."

Australia is regarded as at least two years behind the United Kingdom and the United States when it comes to online but smart companies are beginning to catch up, Chu says.

"When someone searches Google for something, they are proactively looking for something, whereas if you see an ad on television you're not asking for it. You don't want to see it."

The founder and chief executive of SponsoredLinX, Ben Bradshaw, agrees. "As the global financial crisis hit, companies were looking for low risk and more measurable forms of advertising. With Google advertising you can get same-day return on investment statistics – it has revolutionised marketing in this way," he says.

Getting better:
First Click founder
Grace Chu



Continued from page 25

researching their purchases online has skyrocketed to almost 82 per cent, BISWorld says.

Retail commentator and Deakin University consultant Steve Ogden Barnes, says online retailers are beginning to replace market stalls and niche retailers.

"For start-up operators, online stores reduce some of the immediate risks and costs in relation to property and staff," he says. "It facilitates an ease of entry for entrepreneurs and made retail more feasible for more people, especially niche operators."

While Ogden-Barnes expects online retailing to continue to expand, he believes growth will plateau. He also doubts that online stores will ever overtake traditional retailers here.

"Can you imagine the Melbourne CBD without stores? It just would never happen," he says. "Lobby groups would become involved and governments would legislate against it."

But 27-year-old Ruslan Kogan, the only entrepreneur to have two companies on this year's Fast Starters list, says online poses a big threat to traditional retailers.

"When I first started Kogan Technologies people were saying, 'You're absolutely crazy, a television is something people want to see before they purchase,'" he says. "When I succeeded with that and we started Milan Direct they said the same things in regards to furniture – but when you're offering a money back guarantee it's not the case."

Kogan says buying items online is safer than shopping at a department store. "Bring an online retailer essentially gives each and every one of your customers a megaphone. We can't afford for someone to go to Google and type 'Kogan review' and to read bad things about us."

Kogan gave up a well-paid job at global consultancy Accenture to start Kogan Technologies from his parents' garage in 2006. He began buying televisions and computers through Chinese manufacturers, the suppliers to companies such as LG and Sony, and selling them for a fraction of the price online.

Without a cent to invest in the business, Kogan held a 45-day pre-sale of television sets before ordering the items and paying for them. When the items sold, he paid the manufacturer and travelled to China to ensure the televisions made it safely onto the ship. "I made the taxi follow the truck to the dock because I needed to make sure that container made it onto the boat. I couldn't afford for anything to go wrong at all." Three years later, Kogan recorded sales of \$7.9 million in 2008-09, a 162.2 per cent



increase on the previous year, lifting the company from last year's 172nd ranking to 17th place on this year's Fast Starters list.

The idea for Kogan's second business, Milan Direct, which departs this year in 39th place, came about while having 84 pizzas with an old school friend Dean Ramler, son of furniture entrepreneur Paul Ramler – in 2007, Ramler had previously spent years travelling in Europe and

8 SELLERS AND OPTIMISERS

Company	Chief executive/s	Rank
4Cabling	David Hume	17
Amblique	James Dwyer	20
Aussie Farmers Direct	James Dwyer	21
Catalogue Central/	James Dwyer	22
CC Media	James Dwyer	23
catchoftheday.com.au	James Dwyer	24
Clickcorp	James Dwyer	25
Everlen Online	James Dwyer	26
First Click Consulting	James Dwyer	27
Kogan	Ruslan Kogan	28
Macfixit Australia	James Dwyer	29
Megabuy Group	James Dwyer	30
Milan Direct	Ruslan Kogan	39
Pro-Sales Direct	James Dwyer	40
RedBubble	James Dwyer	41
Sponsored LinX	James Dwyer	42

er and Ruslan
n furniture
an Direct.

increase in demand for design furniture. Together they developed a similar business Kogan for Milan Direct. "I needed for my father and mother since I was a teenager both gave us a lot of advice we started," Ramler says. "For they had been giving me how to run a business." A week of their initial chat, and Kogan were on a flight to meet manufacturers. The – which has also started in d Kingdom and will be d into Europe soon – had of \$3.6 million in 2008-09, a cent rise on the previous have had 20 per cent year- growth since we started, so tly comfortable with that," says.

Kogan, finding a niche was a problem for Yuri Karpowicz, under and chief executive ranked online computer legabuy Group. While s business partner, Nick nformation technology echnological experience, icult.

inability to find a product for an online business. ter part and I asked the and 10 days later I still e," he says. "I thought er way."

with Shelomanov and the 00 of their own money

ge was creating a brand, air's lack of retail epecially in the early days. s and a hefty investment isation and IT price efore customers began to cz says.

ibly important," he says. ot sure, so they might and when that runs ke a bigger purchase."

companies and g better educated about buy – which sells mainly d government

ges customers to track hey have been dispatched. lined and as simple as benefits of buying online,"

he says.