

SE Business
HD **Giving phones a home gets motor running**
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MY SMALL BUSINESS

Two school friends have created a multimillion-dollar handset business set to take on the world, writes Alexandra Cain.

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It's every entrepreneur's dream to hit the jackpot straight out of school, but for Chris Ryan and Adam Rockett this dream became reality. These two high-school mates from Brisbane now sit at the helm of Strike **Group**, a \$12 million mobile telecommunications business that is Australia's leading provider of Bluetooth car technologies.

Founded in 2001, the **company** now sells to 72 countries, servicing international clients such as British Telecommunications (now BT **Group**) and SingTel, the parent **company** of Optus.

The business has 25 employees and recently released the Strike Alpha Cradle, a leading smartphone car cradle.

Ryan says a move to **Hong Kong** in 2001 when they were just 20 transformed the pair from school kids to entrepreneurs.

"It was a fast-paced place and it made us grow up," he says, explaining that when they came back to Australia, they were focused on building a successful business.

At first the enterprise mainly **sold** headsets. But in 2004 it diversified into accessories. Along the way, Ryan and Rockett discovered that rather than simply importing and exporting products, the way to increase profits was to add value to the manufacturing process.

"So our focus became developing intellectual **property**. We invented a motorcycle GPS device, which went quite well. But 18 months ago we saw a big opportunity in the area of smartphone cradles for cars that were phone-specific," Ryan says.

"The market was at the time poorly serviced so we employed engineers and designers to start building products from scratch. We concentrated on what we needed to do differently to become competitive and dominant, to give us a strategic advantage."

Now they can bring a cradle to market on the same day a handset comes out. Ryan says his competitors are three months behind.

"The way we design a product, 80 per cent of the handset is built before the handset comes out, he says, explaining that this process involves 3D rapid prototyping - a way of quickly making a scale model of an object using computer modelling, with construction done by 3D printing.

"We get the handset to our engineers and they burn the midnight oil to make it happen," he says.

Sales have been compounding by 25 per cent month-on-month since June 2013 and Strike **Group** is currently appointing distributors worldwide to increase global sales.

Australian legislation that requires people who are driving to have a legally compliant **commercial** cradle or risk the loss of licence demerit points and large fines is helping to drive demand.

Ryan says he's not expecting sales to plateau once most cars have hands-free kits installed. "We expect to get repeat business every 18 months. The beauty of our products is that it's 'plug and play'. When the iPhone 6 comes out you'll just click the cradle off and click the new one on. There's no need to install. Basically, we think we have a customer for life."

Ryan and Rockett funded the business themselves initially and then borrowed from family and friends. At the time they were young men without families and Ryan says if they had to start now, they may think twice given the high risk of setting up a start-up.

"We did borrow from our family, but we'd pre-**sold** our inventory, so it was a good return for them," he says.

Ryan says one of the aspects of being in business that's important to acknowledge is that you won't always have all the information you need. But it's about doing an analysis and taking a step forward.

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