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EDITED BY [JANE SEARLE]

Generation why not

The entrepreneurial spirit is alive and well among the youth of Australia who are not prepared to wait for business success. By Jane Lindhe.

GENERATION Y'S desire for instant success is leading many young people to start their own businesses before they have completed their university degrees.

Universities are encouraging students to take calculated risks when it comes to entrepreneurship, leading many young people to feel they no longer need to "earn their stripes" in the workforce before starting their own company.

For 26-year-old Zoë Warne, the desire to start a creative web and graphic design company, August, came naturally – both of her parents run their own companies. But her success is typical of her generation.

"As generation Ys, we want things instantly," she says.

"People want to be doing what they want now, not later. We don't want to go into a job where [we] have to do [mundane work] for a number of years before getting to where we really want to go."

Warne's first taste of entrepreneurialism occurred when she was in her late teens and studying multi-media technology at Melbourne's Swinburne University. She wanted to earn some extra money, and accepted an offer from her stepfather to outsource some graphic design work through his consulting company, Boardwalk.

During that time, Warne says her university provided some insight into what it would be like to own a business. She participated in Swinburne's industry-based learning initiative, which helps to organise 6-12 month work placements for undergraduate students. There, Warne worked for a start-up online

gaming company, where she was able to observe the day-to-day running of the company. "It gave me some great experience and showed me what it was like to really get a business off the ground."

While she was still at university and working for an online search engine optimisation company, Warne met her future business partner and boyfriend, Daniel Banik.

Banik had started up his own marketing consulting company, August Strategic, in 2004. A year

and she was able to save money to expand.

The company has nine employees and has already been approached by several potential buyers. For now, Warne is satisfied with continuing to develop the business.

"I won't rule out anything altogether, but we are happy right now to stay independent."

When it comes to her young age, a confident and well-spoken Warne says she's never really had any problem being taken seriously

There's no strict hierarchy within the business . . . we like to work with our staff to develop systems and processes and everyone is able to contribute. That's when you get more respect.

later, with Banik's experience in marketing and Warne's graphic training, the two started August.

The company, which mainly gets its customers through word of mouth, deals directly with clients as well as working for creative agencies that don't have an online department. It has some big clients, including Foster's, Berri Australia and Penfolds.

The company, which has annual revenue of less than \$1 million, has tripled its sales in the past two years through organic growth. It plans to open a Sydney office by the end of this year, and an office in the United Kingdom or United States in the next 24 months.

Unlike most start-up businesses, Warne and Banik didn't need to raise capital to launch their company.

Warne says because August initially operated as a home business, its overheads were low

by clients or employees. The oldest person at August – Banik – is only 30, and Warne says there is no strict hierarchy within the business.

"We're still growing," she says. "We're still young and we like to work with our staff to develop systems and processes and everyone is able to contribute. That's when you get more respect."

Most universities in Australia have entrepreneurial programs to support students. RMIT University has a business plan competition that offers students money to get their business ideas off the ground. It can also offer students personalised advice on their business ideas.

RMIT University's entrepreneur in residence, Marcus Powe, says entrepreneurialism can be taught, and that is the reason that more university students are starting their own business.

"There are more younger,

generation Y people starting their own businesses, but surprisingly I have found generation Ys to be more risk averse," he says.

"Their resistance to change can be quite high."

Powe says young females are better than males at emotionally removing themselves from their business. "Females generally make better entrepreneurs than males," he says. "There can be an ego factor with males, and they take business decisions personally."

Powe says it is important for young people who are starting their own business to surround themselves with people who can support them. "Hire and work with people who know what you don't, and who are willing to catch you [if you fall]."

Another young person who is reaping the benefits of taking a chance with his business idea is 25-year-old Jonathan Barouch. In 1999, the then 17-year-old Cranbrook student started Australia's first online florist after an embassying experience at his local Sydney florist.

"I was trying to send a girl a bunch of flowers, and I went to a local florist, and I had no idea, and the florist was clueless, and it was just the most awkward, horrible experience," Barouch recalls.

After discussing the online florist idea with his father, Barouch began approaching florists to supply his flowers and deliver them to his online customers. But being so young, he had trouble convincing florists to go into a partnership.

"I was a 17-year-old kid dressed in baggy pants and a hoodie," he



Zoë Warne: 'As Generation Ys, we want things instantly'

says. "I think I had to go to about 12 florists before any would take me seriously."

Now managing director of the multimillion-dollar Fastflower business, Barouch launched the website www.fastflowers.com.au in September 1999.

The business operates in Australia and New Zealand, with shops in Sydney and Melbourne and one soon to be opened in Brisbane. It has 30 staff, and Barouch plans to hire more when its new store opens.

Starting his own business at such a young age has meant he has had to develop with his company, he says. Completing his Masters in Commerce was important for his own personal growth and his business.

"I did worry at the beginning that I hadn't had another career, and that I didn't have the skills required to run a business ... but I've learnt a lot since then," he says. "I think people take me seriously now." ■

Young entrepreneurs should think twice if:

- The market they are targeting is small and restricted
- There is a high cost of entry
- Strong market competition already exists
- They have little control over their pricing
- Product development is limited
- They have limited control over their distribution
- There is an inability to expand the business
- They cannot raise capital