



PRIVATE BUSINESS

A change of plan opens doors for Service Central.

BUSINESS 2

BUSINESS EDITOR **MICHAEL SHORT** Telephone (03) 9601 2325 Email mshort@theage.com.au

of big falls in commodity prices

says IMF



The good, the bad and the fanciful



TIM COLEBATCH

THE good news is the global economy is likely to keep growing rapidly into next year — making this the best four years for growth since oil producers ended the Long Boom with capricious price rises in 1973. The bad news is that the risks are rising that it won't keep growing — with a one-in-six chance that 2007 will bring a sharp slowdown.

The International Monetary Fund is optimistic and pessimistic all at once. Surveying the world, it sees the developing countries, home to 85 per cent of mankind, growing faster than ever. Since 2003, their output has grown on average by 7.3 per cent a year, and they will match that again, more or less, this year and next. In just five years, the developing world will have increased its output of goods and services by 42 per cent. That's progress.

It's not just China, although a third of the world's economic growth is taking place there,

STEPHEN BARTHOLOMEUSZ

Macquarie Bank funds have raised \$5 billion in new equity since March, which



suggests that despite the controversies there are plenty of investors who retain their faith. **BACK PAGE**

FULL DISCLOSURE

Rumours all over the shop at Coles

Is there anyone not rumoured to be lining up a tilt at Coles Myer?



BUSINESS 4

TAKEOVERS

Battle for Vision Systems heats up

US Cytyc Corporation has offered \$497 million for Vision Systems, trumping last month's \$451 million bid by another US company, Ventana Medical Systems. **BUSINESS 2**

PROPERTY

Market garden sells for \$45m

A 70-hectare market garden in Dandenong South has sold for more than \$45 million in a deal that could result in the site being transformed into an industrial park including offices and warehouses.

not subject to any regulatory approvals or potential inter-

pathology instruments, some of which compete and most of

Vision Systems shares surged 25¢ to \$2.51 yesterday.

licano Group was the winning bidder for the Kelly Bros site on

400-hectare vegetable farm in Yarrawonga.

Private business

Contract matchmaker mends his ways

A change in business plan has opened doors for Service Central, writes **Jesse Hogan**.

DANIEL Ahchow's grand plan to start his own business was born out of frustration.

His father Bruce's cleaning contracting company had won a major contract from Coles Myer, which meant the company had to quickly — and significantly — increase its workforce. The idea came when both began searching the *Yellow Pages*, "begging" cleaners to work for them as sub-contractors.

"We were the ones with the money, the contracts and the work, but we found that we actually had to chase them," Daniel Ahchow said.

Even when they were able to persuade contractors to join them, Mr Ahchow said the positive references many of them provided did not match



Daniel Ahchow plans to expand his business nationally.

their performance on the job. "At the time, eBay was pretty popular, and I wondered 'How come there can't be a feedback system like that, where we can see what real people have said about these people?'," he said.

Mr Ahchow engaged four IT programmers to develop a website to enable companies to advertise contracts and gauge the credentials of the com-

panies responding to them. It took 18 months of full-time work from the programmers, but eventually created what is now known as Service Central.

Once the father-and-son company opened for business — Daniel as managing director, Bruce as a director — it became clear large companies would not advertise contracts on the site until there were at least 500

contractors on Service Central's books. Furthermore, contractors would not pay to join the database until they saw evidence of lucrative contracts. "We were in this chicken-and-egg scenario where we had this great system, everyone's like, yep, that's absolutely fantastic but we'll use it when everyone else is using it," he said.

Mr Ahchow changed the business strategy to target the consumer market. Under the revised model, consumers would call the company with a specific job, such as a blocked toilet, and Service Central would invite contractors — via email or SMS — to contact customers with quotes if they interested in the job. Callers would not pay for the service, but contractors would pay a commission for every job they were selected for.

"If small businesses only take a small amount of jobs then they don't have to pay a lot of money. If big businesses take a lot of jobs then they do

have to pay for it," Mr Ahchow said.

Service Central started slowly, with letterbox flyers and advertisements in local newspapers. Mr Ahchow said the turning point was when it started advertising on Melbourne radio. "We went from 100 jobs a month to about 1000 jobs a month overnight," he said.

Service Central has outsourced its call centre and IT operations since its beginning 18 months ago. The workforce at its Collingwood office has grown from two to 20. This includes a team to contact customers after every job to gauge the performance of contractors.

The company has now listed more than 14,000 jobs on its website, and has expanded its database to include white-collar professions such as accountants and graphic designers.

Now 28, Mr Ahchow's top priority is to expand Service Central's operations into NSW, and expects to do this by March next year.

Melbourne design duo takes home honour as a souvenir

By **DAN HARRISON**

TWO Melbourne designers have won the major honour at national souvenir awards presented in Brisbane.

The Memento Australia Awards give out more than \$33,000 in cash and business assistance to reward excellence

and innovation in the tourism gift market. The market is worth more than \$700 million a year, according to awards manager Helen Stanley.

Melbourne artists Melissa Voderberg and Louise McDonald beat more than 200 other entries to win the Memento of Australia award for a fan, necklace and

earrings set inspired by eucalyptus leaves.

Ms Voderberg, an industrial design graduate from RMIT, and Ms McDonald came up with the idea after an extended period overseas.

"We met a lot of people when we were travelling and we wanted to send them something

from Australia," said Ms Voderberg. "We just didn't find anything that captured the things that we think are really beautiful about this place."

They started Studio Latitude to make their own.

The two of them won \$1500, two years' free use of the Australian Made trademark, and a busi-

ness mentor program from the Creative Economy consultancy, to help them get manufacturing and distribution deals.

Participants in a forum on fake indigenous art held in conjunction with the awards called for a ban on the term "Aboriginal style" to describe imitation indigenous art and souvenirs.