

BRW.

100 FASTEST GROWING START-UP COMPANIES

FAST STARTERS



A photograph of two men in dark suits and light-colored shirts standing behind a large, dark wooden table with red upholstered chairs. The man on the left is balding and the man on the right has dark hair. They are both smiling. In the background, a whiteboard is visible with three hand-drawn diagrams, each labeled 'FLAT OUT' and showing a curve with an upward arrow. The room has a green wall and a wooden floor.

A KIN THING

A good, strong family unit can mean the difference between success and failure in the competitive world of SMEs.

Report: Tony Blackie

● In troubled times, family businesses are proving to be one of the strongest models for success in the small and medium enterprise sector. This year, more than 20 per cent of the *BRW Fast Starters* companies are founded, owned and operated by family groups.

The chief executive of Family Business Australia, Philippa Taylor, says the emergence of family-owned and operated businesses is hardly surprising as their attributes make them perfect survivors in all economic conditions, including serious downturns.

"The facts are that family-owned businesses have about a 30 per cent better return than corporates," Taylor says. "They don't have the boards and lines of reporting required in a corporate structure and they are able to be more responsive to changes."

While Taylor agrees that many smaller businesses are now setting in place advisory boards to assist with growth and planning, she says they do not get hung up on the shareholder equity requirements, which are often responsible for short-term thinking in a corporate structure.

A crucial element in the current economic environment is access to capital for growth, Taylor says. For non-family entities, this is proving an impediment to expansion of business activities as venture capital and angel funding dries up. For family-owned companies, which traditionally source their finance from family borrowings, this is not an issue. Fast Starters research shows that many non-family owned business are turning to family sources for capital after failing to get the necessary funds from banks, venture capitalists and other investors.

The discipline leader in entrepreneurship and innovation at RMIT University's school of management, Professor Kosmas Smyrnios, agrees, saying the research shows that 85 per cent of the 2009 Fast Starters sourced their capital from family members.

He says the family structure also provides an advantage in that it allows for a greater ability to deal with issues and conflict within the company. Family groups have more to lose from conflict and they tend to have common goals and more open discussion about issues as they arise. These attributes are backed up by the most recent survey of Australian family business by management consultants KPMG, Deakin University and Family Business Australia.

The 2008 survey, which is the fourth in the series, showed that more than three-quarters of Australian family businesses believed that familial harmony contributed to their success.

Increasing profitability has continued to be the main issue identified by family businesses but both Smyrnios and Taylor believe the evidence shows that the family business structure is highly resilient in difficult economic times.

Side by side: Bruce, left, and Danial Ahchow of Service Central

Anecdotally, family businesses appear buoyant as the stories of gloom and doom have not eventuated. Issues such as lower interest rates, lower fuel costs, a freeing up of the labour market and general economic stimulus from government level have helped these businesses to defy the gloomy predictions of 12 months ago, Smyrnios says.

He points out that the Fast Starters research indicates family businesses appear to be using their traditional attributes, such as being more risk averse and taking a longer-term vision for the company to gain sustained growth, to their advantage in the tighter economic times.

Danial Ahchow and his father Bruce own and operate Service Central, an online system that matches consumer needs with tradespeople and provides the consumer with the ability to obtain competitive pricing for services. Service Central rises 37 places to

Danial says that while he often wonders how he would get on in business on his own, he recognises the advantage of having a "true friend" at his side.

"The best thing is to be able to look at business without concerns about squabbling over money or control. The money is for the family, so that is not an issue. The other thing that is fantastic is that the culture is pre-set. You know each other so well that you know what the work ethic is and what to expect of each other."

The Ahchow father-and-son team says they have kept true to their business. "We have always known from day one that the service providers were the business," Danial says. "So we focused on providing genuine opportunities for them."

The economic climate has had an impact on the business with investor finance drying up. "We are now having to live within our



A matter of trust: From left, Roby Sharon-Zipser, Michael Vitek and David Vitek of Viteknologies

27th position on this year's Fast Starters list, with a turnover of \$4.96 million and growth over the past year of nearly 160 per cent.

"Essentially, we came up with the concept because it was too difficult to find service providers," Danial Ahchow says. "I was in my 20s and I said to my dad that we needed to create an eBay for services. So I worked with some programmers and proofed up the concept. Six to 12 months later, Dad joined, bringing in his entrepreneurial skills. He has always been in business."

Progression to a partnership was natural, he says. "It is not as though working together was anything new. It was the way we were raised. Working side by side was a different story but the fact we knew each other so well made for success. We are really brothers-in-arms."

means and fund the business from cash flow. Otherwise, things are strong with really good job numbers coming through and no dip from consumers. Consumers keep buying and our business continues to be selling job opportunities to business."

Skye Recruitment, which is owned and operated by husband-and-wife team Kye and Sophie Macdonald, makes its debut on the Fast Starters this year with a ranking of 56. The pair met while working in the recruitment industry in London. Kye, an Australian, encouraged Sophie to return to Queensland, where, after a period of working for other recruiting operations, they set up on their own.

"We had done a trial run where we set up a new department for an existing recruitment company and made it work," Sophie says. "We decided that we could do it ourselves and set up on our own. Initially, we were working from home and in May 2006 we hired our

first staff member and in August that year we moved into offices. From that time, on we have expanded."

Sophie says the husband-and-wife team works well as there is a synergy of goals. Both she and Kye are ambitious and have a similar vision for the company and their combined future.

"I think our company culture makes us different," says Sophie, who believes that differentiation in the crowded recruitment market is a vital component for success.

"We have a very relaxed culture; most other recruitment companies are high pressure. We want our people to work in a good, relaxed environment but with the need to perform."

As Kye has a business degree and Sophie a psychology degree, the pair believes they are able to bring differing skills to assist in the company's growth. "Kye gets involved in the finance side and my focus is on the people side," Sophie says.

She admits that the hardest part of building a husband-and-wife business is that it can be difficult to separate business from their home life. "It does often feel as though we are never quite able to switch off. On our honeymoon, we were talking about the business and a romantic dinner can involve talking about performance reviews."

When David Vitek came upon what he thought was a great business idea, he naturally went to his brother Michael and his best friend Roby Sharon-Zipser to help him. "We knew it would work because we knew we would not cheat each other because our parents would kill us if we did," Vitek says.

The trio established Vitektechnologies in 2004, providing online directories initially with a focus on natural therapies but then broadening to other areas such as home improvement.

As a niche provider of online directories, the company employs more than 50 people and has launched into New Zealand and the United Kingdom. Vitektechnologies jumps 33 rungs to 33rd place on this year's Fast Starters ladder.

"The obvious thing that brought us together is the element of trust – not just the money side, it's how we deal with customers and the company," David says. "I know my brother

Relaxed culture: Kye and Sophie Macdonald of Skye Recruitment

SOUVLAKIHUT

Rank: 16

Founders: Bill Fotiadis, John Fotiadis

Turnover 2007-08: \$7.86 million

Growth 2007-08: 136.11%

SERVICE CENTRAL

Rank: 27

Founders: Bruce Ahchow, Daniel Ahchow

Turnover 2007-08: \$4.96 million

Growth 2007-08: 158.83%

VITEKNOLOGIES

Rank: 33

Founders: David Vitek, Michael Vitek, Roby Sharon-Zipser

Turnover 2007-08: \$3.86 million

Growth 2007-08: 124.91%

SKYE RECRUITMENT

Rank: 56

Founders: Kye Macdonald, Sophie Macdonald

Turnover 2007-08: \$2.15 million

Growth 2007-08: 329.66%

inside out and I know he would not let a customer go until he knew they were properly looked after."

He says that the original team establishing the company consisted of his brother Michael and their childhood friend Roby, whom they consider a family member. "We are all quite different but what I can't do they can," says David, who came up with the idea of building niche directories after having difficulty searching online for natural health remedies.

With more than 40,000 customers worldwide, David believes he proved wrong those who said he couldn't make a business out of his idea.

The Fotiadis brothers, Bill and John, were looking for a new business venture when they came together to create Souvlakihut, a fast-growing food franchise operation based in Melbourne which makes its debut on this year's Fast Starters list in 16th place.

As the name suggests, the franchise is based around the production of souvlakis, a traditional Greek food that Bill admits has been considered "the sober-up thing after a night out".

Trading on the Greek-Australian image, the Souvlakihut concept is gaining momentum and the brothers have turned the humble souvlaki into the basis of a multimillion-dollar franchise, which aims to have 40 stores by Christmas.

"My brother was in the corporate world and I had just sold my food-manufacturing business," Bill says. "He resigned and we decided to go into business together."

When they established Souvlakihut in 2004, the brothers had something of a head start in the market with Bill having seen the souvlaki fast-food industry overseas. And he had created a souvlaki product for fast-food chain Red Rooster.

In addition, and perhaps the most compelling item on their souvlaki resume, is the fact that an uncle had been responsible for perhaps the most famous souvlaki store in Melbourne, Twins milk bar in Lygon Street, Carlton, a popular late-night haunt.

"We used to fight a bit before and we have had our ups and downs but we have built a business based on trust not only with each other but with our franchisees, staff and suppliers," Bill says.

"We said from the start we wanted to be in this for the long term. We knew the first six years would be tough. We have had people wanting to pump in capital but it is too early. We have the same vision. I had never been in business with my brother before but my dad had milk bars in St Kilda and my brother worked there when he was growing up."

Bill says turnover growth, which reached 136 per cent in 2007-08, has continued albeit at a more sedate rate of 18 per cent in the latest financial year. The lower interest rate regime has helped to stimulate consumer demand, he maintains. **BRW**



THE 2009 FAST STARTERS

Rank 2009	Rank 2008	Trading name	State	Industry sector	Founder/s	Turnover 2007-08 \$	Growth 2007-08 %
1	N/R	Contexx	Vic	Construction	Noel Henderson, Simon Gray	181,406,783	709.24
2	1	Bravura Solutions	NSW	Information technology	Iain Dunstan, Simon Woodfull	136,200,000	34.99
3	N/R	Aussie Farmers Direct	Vic	Retail trade	William Scott, Jordan Muir, Shane Hodskiss, Graham Adams	28,127,000	281.12
4	6	TDA Interiors Australia	NSW	Construction	Andrew Holder, James Kemp	27,417,597	28.81
5	N/R	Clickcorp	Vic	Retail trade	Igor Fenster, Alexander Tsintsiper	15,982,882	426.34
6	N/R	Xceptional Recruitment	SA	Property and business services	David Couzner, John Menz	12,600,000	2611.58
7	N/R	Books Onsite	NSW	Property and business services	Tim Johnston	10,750,744	2049.32
8	22	Third Horizon Consulting Partners	NSW	Property and business services	Neville Bagot, Robert Kelly, Steven Metzmacher	10,628,784	85.92
9	25	Cordelta	ACT	Property and business services	Ken Gutterson, Matthew Ryan	10,182,553	86.32
10	32	KSA Projects	NSW	Construction	Keith Sheppard	9,679,115	117.13
11	N/R	Point Project Management	ACT	Property and business services	Michael Snare, Brendan Bilston	9,387,810	138.09
12	19	Staffrite Recruitment	WA	Property and business services	Craig Bowen, Michael Bowers	9,059,596	32.64
13	N/R	E3 Style	Qld	Wholesale trade	Richard Chen, Vanessa Garrard, Jillbert Mulder	8,762,000	532.64
14	39	JB Global	NSW	Finance and insurance	Justin Beeton, Scott Beeton	8,670,779	123.71
15	48	AVG (AU/NZ)	Vic	Information technology	Peter Cameron, Tim Dawson	8,096,626	46.40
16	N/R	Souvlakihut	Vic	Accommodation, cafés, restaurants	Bill Fotiadis, John Fotiadis	7,860,918	136.11
17	26	Profusion Group	NSW	Property and business services	Rod Jones, Ashton Bilbie, Simone Mears, Alison Loader	7,329,738	34.77
18	34	Pie Face and Dinky Di Pies	NSW	Accommodation, cafés, restaurants	Wayne Homschek, Betty Fong	7,171,260	72.33
19	89	MyNetFone	NSW	Communications	Andy Fung, Rene Sugo	6,800,000	106.06
20	43	Design & Build Recruitment	Vic	Property and business services	Neil Colquhoun, Clair King	6,800,000	88.89
21	28	Zoom Recruitment and Consulting	Vic	Property and business services	Nathan Webb, David West	6,461,000	27.29
22	53	Chocolateria San Churro	Vic	Accommodation, cafés, restaurants	Kelly Smith, Giro Maurici, Matthew Brusi, Mark Attard	6,032,382	209.88
23	N/R	Certatech	Vic	Communications	Adam Hillary, Alister McDonald	5,798,095	46.67
24	N/R	Lime Telecom	NSW	Communications	Amir Neghabian	5,580,697	21.44
25	45	Provident Cashflow	NSW	Finance and insurance	Matthew Nolan, Michael O'Sullivan, Malcolm Bersten, Trevor Seymour, Scott Marinchek	5,486,875	63.11
26	N/R	Ascent Building Solutions	Qld	Construction	Jared Hinkley, Terry Styles	5,186,000	9.41
27	64	Service Central	Vic	Information technology	Bruce Ahchow, Danial Ahchow	4,958,271	159.83
28	58	West Recruitment	NSW	Property and business services	David Smith, Sean Johnston	4,369,503	93.56
29	N/R	Metier Recruitment	NSW	Property and business services	Neale Bettman, Sally Paris	4,095,842	282.93
30	N/R	Salsa's Fresh Mex Grill	Vic	Accommodation, cafés, restaurants	Lawrence Di Tomasso	4,060,334	26.51
31	N/R	Apricus Australia	NSW	Wholesale trade	Chris Taylor	4,012,888	276.08
32	N/R	Marble Group	NSW	Property and business services	Gary Denton, Lee Corbitt	3,927,213	124.21
33	66	Viteknologies	NSW	Information technology	David Vitek, Roby Sharon-Zipser, Stephen Keighery, Michael Vitek, Michael Pang	3,855,390	124.91
34	N/R	s2m Digital	NSW	Property and business services	David Jackson, Samantha Watts	3,807,453	95.67
35	N/R	Australian Industrial Rental	NSW	Property and business services	Simon Mair	3,738,443	423.37
36	75	Labour Solutions Australia	Qld	Property and business services	Andrew Northcott	3,718,870	163.86
37	N/R	Kogan Technologies	Vic	Retail trade	Ruslan Kogan	3,681,987	148.14
38	N/R	Executive Channel	NSW	Communications	Craig Cohen, Charles Parry-Okeden	3,627,010	150.38
39	N/R	Finrecruit	NSW	Property and business services	Matthew Trustrum, Dudley Levell	3,345,447	82.85
40	60	Momento	NSW	Retail trade	Geoff Hunt, Libby Jeffery, James Whitwell	3,309,898	51.26
41	N/R	Excite Digital Media	NSW	Information technology	Evan Balafas, Nicholas Stavropoulos, George Papaioannou	3,055,450	684.57
42	N/R	Selmar Institute of Education	Vic	Education	Marcus Sellen	2,976,387	313.84
43	55	Millie & More	Vic	Manufacturing	Mia Klitsas, Natalie Koenen, Jeffrey Gore	2,918,413	17.68
44	N/R	Everten Online	NSW	Retail trade	Hal Pritchard, Natasha Luke	2,777,355	68.81
45	54	Manning Cartell	NSW	Manufacturing	Gabrielle Manning, Vanessa Manning, Cheryl Manning	2,759,820	15.56
46	N/R	Online Education	NSW	Education	Dick van Damme	2,748,348	609.69
47	N/R	Noah's Rule	NSW	Finance and insurance	Sean Russo, Michael Cooper	2,651,500	43.08
48	N/R	Gizmo	NSW	Personal and other services	Brett Chenoweth, Danny Gilligan	2,543,364	243.72
49	N/R	Kidspot	Vic	Information technology	Katie May	2,481,730	118.51
50	N/R	Xpresso Delight	Qld	Property and business services	Stephen Spitz, Paul Crabtree	2,466,054	72.44

Rank 2009	Rank 2008	Trading name	State	Industry sector	Founder/s	Turnover 2007-08 \$	Growth 2007-08 %
51	N/R	Kytec Group	WA	Information technology	Ben Donaldson, David Okulicz	2,461,000	100.90
52	N/R	First Click Consulting	NSW	Information technology	Grace Chu	2,437,878	121.29
53	N/R	Hiflow Industries	Qld	Property and business services	Brett Neil Saunders	2,376,726	190.33
54	N/R	Flip Screen Australia	NSW	Manufacturing	Sam Turnbull	2,375,139	73.85
55	N/R	Aussiehq	ACT	Information technology	Michael McGoogan	2,296,814	56.07
56	N/R	Skye Recruitment	Qld	Property and business services	Kye Macdonald, Sophie Macdonald	2,152,900	329.66
57	70	Salt & Shein	NSW	Property and business services	Peter Salt, Josh Shein	2,105,366	36.44
58	N/R	Tria Investment Partners	NSW	Property and business services	Andrew Baker	2,100,000	61.54
59	N/R	Spirit Telecom	Vic	Communications	Geoff Neate, Joe Tigel, Mike Allen	2,079,129	28.83
60	73	2easy Telecom	NSW	Communications	James Rowden, Katy Rowden	2,078,020	38.43
61	93	BPO Intelligence	Vic	Transport and storage	Naresh Gulati, Guggu Gill	1,966,440	158.07
62	N/R	Energy Response	Vic	Wholesale trade	Ross Fraser	1,915,059	115.27
63	87	Kettering Professional Services	Qld	Information technology	Rob Cheesman	1,848,777	82.51
64	72	REOL Property Consultants	Qld	Property and business services	Michael Mahon	1,835,900	20.54
65	N/R	Viking Rentals	Qld	Property and business services	Jim Noort	1,753,923	330.20
66	N/R	Agile Enterprise Solutions	Vic	Information technology	Matthew Giddens, Mark Bain, Richard Preiss, Szymon Pinkus, Margaret Richards	1,748,257	41.92
67	N/R	Exalt Group	NSW	Transport and storage	Chris Dobson	1,746,772	285.79
68	N/R	UberConsult Solutions	NSW	Information technology	Allan Jansen	1,744,550	114.58
69	N/R	Property Planning Australia	Vic	Finance and insurance	David Johnston, Mark Armstrong	1,710,888	105.84
70	N/R	Whizdom	ACT	Property and business services	John McCluskey, Sharon McCluskey	1,685,010	231.20
71	N/R	SP Health Co.	NSW	Health and community services	Scott Penn	1,680,463	788.47
72	N/R	IF Telecom	Vic	Communications	Andrew Branson, Richard Branson	1,661,713	98.68
73	N/R	Teamwork Oz	Vic	Transport and storage	Robert Saltalamacchia, Christine Barry	1,642,969	36.60
74	N/R	Martinus Rail	NSW	Construction	Treaven Martinus	1,640,329	225.83
75	N/R	Intellect Systems	WA	Mining	Jason Monzu, Chris Kane	1,612,853	221.01
76	N/R	Halcyon Knights	Vic	Property and business services	Marcus Lynch, Lincoln Benbow	1,605,389	1266.34
77	82	Sustainable Solutions International	Qld	Property and business services	Dominic Xavier, Stephen Paul, Adrian Pratt	1,548,896	34.72
78	N/R	Prime Binding	Vic	Property and business services	Frank Tevere, Carmen Tevere	1,503,695	46.17
79	N/R	Strike Force Sales	NSW	Property and business services	Ciaran McGuigan, Chris Moriarty	1,496,261	183.30
80	N/R	Floormaniam	NSW	Retail trade	John Elasi, Joseph Elasi	1,376,114	45.97
81	N/R	Ansarada	NSW	Information technology	Sam Riley, Andrew Slavin, Rachel Riley, Daphane Chang	1,364,363	179.95
82	N/R	Medimobile	Qld	Health and community services	Kirsten Baulch, Graeme Baulch	1,322,147	77.28
83	N/R	Benneaux	Vic	Property and business services	Benjamin Jotkowitz	1,317,296	134.26
84	N/R	2it Consulting	NSW	Property and business services	David Clarke, Matthew Meszaros	1,281,217	51.64
85	N/R	Madsen Finance	QLD	Finance and insurance	Matthew Madsen	1,276,781	88.71
86	N/R	Intelligent Accounts	NSW	Information technology	Rukmal Wijesooriya, Shalini Wijesooriya	1,276,000	103.83
87	N/R	Dallas Air Conditioning	NSW	Property and business services	Rodney Jackson	1,247,900	72.43
88	N/R	PRIME Process Management Group	Qld	Information technology	Mark Khabe, Bernadette Kropman	1,242,834	132.38
89	N/R	PASH Australia	NSW	Wholesale trade	Jo Karabin, Nigel Cheek	1,226,064	62.16
90	99	Mortgages Today	WA	Finance and insurance	Tony Pennells, Mark Bowen, Greg Pennells, Ross Begley, Nick Joannides	1,219,218	128.52
91	N/R	Amblique	NSW	Information technology	Justus Wilde	1,215,611	71.22
92	N/R	Defence Directions Recruitment Solutions	NSW	Property and business services	Adam Waldie, Leah Waldie	1,198,732	92.74
93	N/R	Catalogue Central	Vic	Communications	Robert Wong	1,196,000	489.16
94	N/R	Macchia Group	NSW	Construction	Domenic Macchia	1,166,484	21.66
95	N/R	Big Stick Adventures	Vic	Property and business services	Brett Hollis	1,017,982	197.45
96	N/R	ROI.com.au	Vic	Information technology	Ewan Watt	993,857	244.09
97	N/R	The Retail Doctor Group	NSW	Retail trade	Brian Walker	986,463	105.68
98	N/R	Axios IT	SA	Information technology	Jason Goodridge, Scott Ayton, Daniel Krause	982,563	57.85
99	N/R	Strategic Path Publishing	NSW	Property and business services	Jim Berry, Valentine Sykes	976,914	14.07
100	96	Matesrates Australia	WA	Retail trade	Gerry Alleaume	897,477	60.37

N/R Not ranked Source: BRW