

# INTHEBLACK

JUNE 2006 \$8.95  
PP349181/00167

For people who mean business

## Dragon's breadth

**Understanding  
the new  
economic  
order**

**CHIEF  
CONCERNS**  
Are CFOs key  
to fast-growth  
companies?

**INVESTOR**  
Companies  
with a bullet

**YEAR END SPECIAL**

- Personal and business tax tips
- Lowdown on salary sacrifice
- Agents and insurance
- Service trusts advice



# In this issue

June 2006



Many of my competitors are Americans selling Australia, so having an Australian accent is a huge corporate advantage for me

New York-based Michele Anderson  
(back in Bondi for a break)  
*New York Stories*

# 34

## Features

### COVER STORY

#### 42 NEW, NEW WORLD ORDER

The risk-return spotlight is trained on the Asia Pacific as trade between this region and the rest of the world dominates the global economic growth story.

#### 28 CHIEF CONCERNS

Small, fast-growth companies have a remarkably varied approach to the important role of finance, reveals new CPA Australia research.

#### 34 NEW YORK STORIES

Entrepreneurial, savvy and persistent Aussies are making it in the Big Apple through hard graft, a fresh attitude and liberal doses of accent. We uncover the success stories.

#### 38 ON THE FAST TRACK

Be warned: high-growth companies can take the investor on a rollercoaster ride, but there are rewards if you do your research. It takes plenty of due diligence to decipher the risks.

#### 45 BABY TALK

In the absence of a government-funded system, some companies are coming round to the idea of paid maternity leave as a way of attracting and retaining staff.

#### 48 FANTASTIC JOURNEY

It's no longer necessary to say "get lost" to GPS. These systems have become so reliable, even emergency services are using them. The latest generation is cheap, light, effective – and available via your local retailer.

# New York stories

SOME ENTREPRENEURIAL AND DRIVEN AUSTRALIANS ARE MAKING QUITE A NAME FOR THEMSELVES **IN THE BIG APPLE**



BY DEREK PARKER

**L**ike the song says: If you can make it there, you can make it anywhere. In a host of fields, from food to finance, New York City remains the state of the art of the deal. And Australians are now making their presence felt, notching up a string of Big Apple success stories. A few, like actor Hugh Jackman (who made his Broadway reputation in the role of another Australian, Peter Allen) and footballer Ben Graham, who moved from the AFL's Cats to the New York Jets, have won a high profile, but there are thousands of others who focus on more mainstream business activities.

Luke Collins, an Australian journalist and author of the recent book *Away Game*, estimates there are about 15,000 Australians currently working in New York (out of perhaps 100,000 in the United States). "Because of the way the visa system has been structured in the past, you find a lot of Australians working in investment banks, law firms and in journalism," says Collins, who currently lives in

New York. "But they're also running childcare centres, serving up 'Bondi burgers', cutting hair on Madison Avenue. They succeed partly because of the personality traits that brought them to the US in the first place: ambition, a desire to test themselves, curiosity about the world around them."

These are also the attributes of entrepreneurs, and energetic Australians are making a mark in the New York landscape of small and emerging businesses. For example, Michele Anderson – originally from Sydney – operates a company called The Wine Angel, which imports premium Australian wine into the US market.

"Being an Australian running a business focused distinctly on Australian products has been a significant advantage," she says. "Until recently, it has been very difficult for Australians to get work visas or start businesses in the US, so many of my competitors are Americans selling Australia. So having an Australian accent is a huge corporate advantage for me."

Anderson points to her MBA degree from Wharton University >





... so many of my competitors are Americans selling Australia. So having an Australian accent is a huge corporate advantage for me

Michele Anderson, photographed on holidays in Sydney at Icebergs in Bondi

**MICHELE ANDERSON**

The Wine Angel

**Advice points**

- Use professional networks for contacts
- Quality of first impression is crucial
- Proactively promote personal and business achievements.



## Australians in New York



> as another benefit. It not only provided her with additional business insight but brought her into key networks. “One stark difference is how powerful and active professional and educational networks are in the US,” she notes. “For example, my first wine distribution relationship was formed after I contacted a fellow Wharton alumni who runs a multi-billion dollar wine distribution business. His office set up a meeting the day they received the letter and we agreed to do business together after our first meeting.

“Another difference is that Americans are more up-front about discussing, promoting and celebrating personal achievement than Australians. We talk about Australia’s ‘tall poppy’ syndrome and I have felt it strongly over the years, although I feel it might be waning. In New York, I don’t feel like an outsider. In many ways, someone from middle America would find it harder to do business in New York City than I have.”

Anderson sees huge opportunities in the city for Australians who have an inventive streak. She recently established a new direct-to-consumer business called GreatAustralianWines.com, the first internet-based business of its kind in the US. She explains that she invested considerable resources in the design and presentation of the business; a professional finish, she says, is a prerequisite for success in New York.

Dave Winter, who divides his time between Melbourne and New York, agrees that the polish of the message is important. As the group chief technology officer and Australian CEO of Vivas, a software development company working in the cutting-edge field of video streaming for commercials, film trailers, and corporate promotions, he notes that New York was the obvious place for his firm to target.

“When you put together the advertising, corporate communication and entertainment sectors concentrated in the city, it’s a very rich environment, so we decided we had to be

there, and have to succeed there,” he says. “But anyone looking at New York should be willing to put in a lot of time and money – far more than you might expect. Everything, from restaurant meals to office space, is extremely expensive. Recruiting Americans is very difficult, and employing them involves a lot of on-costs.

“Don’t expect overnight success. We’ve been in New York for a year and only recently won our first major contract. You have to be prepared to work for the long haul.”

Winter also identifies some surprising differences in business culture.

“Business in New York entails endless meetings, and there is no way to escape the lawyers,” he says. “Managers at low and middle levels are very unwilling, and often unable, to make decisions on a new product. This is very different to Australia, where mid-level executives will often take a chance on something new, and become the in-house champion of it. “Dealing with US corporations is a very top-down exercise. But this can be an advantage in a way. In several cases, we have done well by our US executive chairman – who is Australian but has long experience of America – simply sending emails to C-level people in large companies, and including a visual presentation. If that executive likes it, and likes the look of the company, they will then get others

down the line moving. The key,



### LUKE COLLINS

Author of *Away Game: Australians in American Boardrooms*, Wiley 2006

#### Advice point

- Use the traits that lured you to the US: ambition, curiosity, and a desire to be tested.





### DAVID WINTER

Group chief  
technology officer  
and Australian CEO  
of Vividas

#### Advice points

- Be prepared to invest time and money
- Make senior-level contacts
- The quality of the first approach is key.

however, is that the initial presentation has to be really good. You have perhaps 20 seconds to put your case. Our products are highly visual, so maybe we have an advantage, but it indicates a general rule about the quality of the first approach.”

Winter warns, however, that the Australian sense of humour is not always appreciated. “Australians become friendly very quickly,” he says. “That can seem odd to Americans, who are more formal in business. Establishing business-based networks is important, and speaking at professional events is a good way of doing that. Just don’t be too quick to loosen your tie.”

According to Dave Roper, a director of Melbourne-based company Crumpler, one of the biggest issues for a small company landing in

**• In Australia, our biggest wholesale client has 30 outlets.  
In the US, our biggest wholesale client has 700 outlets.  
So you have to be ready for a different level ...**

Dave Roper, a director of Melbourne-based company Crumpler

New York is simply the scale of the market. Crumpler manufactures and sells a wide range of specialist carrybags, such as for camera or computer equipment. Through a wholly owned subsidiary, it operates two dedicated stores in New York and uses the city as a base for its wholesale trade.

“In Australia, our biggest wholesale client has 30 outlets,” he says. “In the US, our biggest wholesale client has 700 outlets. So you have to be ready for a different level of production and sales, and that means you have to save a sizeable war chest behind you. You also have to have your company data ready for examination. A new client might love your product, but they will want to be sure that you can deliver what you say you can deliver.

“It might take a year before you are taken seriously. You have to be willing to spend a while building a profile in your industry, attending trade shows and getting yourself known through events and associations. It’s an investment, but it pays off in the long run.”

Roper also identifies a key difference at the retail level, drawing on data from the stores that Crumpler operates in New York.

“Online sales are much bigger in the US,” he says. “We find that many people come into our stores, take a look around and pick up a catalogue, and then go home and order what they want online. In Australia, by comparison, customers are more inclined to look at the website, and then go to the store to make the purchase. It means that in the US you have to treat your website as a crucial retail outlet, and it has to be interesting and buyer-friendly. Our website, which was actually created by a Melbourne firm, makes a point of grabbing people’s attention immediately, and making the whole experience fun.”

Roper believes that American consumers are more brand-conscious than Australians. He notes that Crumpler plans to undertake a promotional campaign later in the year, focusing on building the brand. There will also be a revamp of the essential website, to allow for easier product demonstration and better customer feedback.

It is impossible to tell how large a slice of the Big Apple is being won by Australian entrepreneurs, but it appears to be significant. In fact, Australian-run businesses are so common in New York that it is no longer considered unusual. For mid-sized businesses looking for expansion opportunities or energetic individuals looking for a challenge, Gotham should be considered as an option.

But author Collins believes that most expatriates, no matter how successful, do not lose their attachment to the sunburnt country. “Most Australians living in the US keep Vegemite in the cupboard and Tim Tams in the fridge,” he says. “No matter where they are or how long they have been away, they continue to passionately declare themselves Australian.” ■

### Useful websites

[www.wine-angel.com](http://www.wine-angel.com), [www.vividas.com](http://www.vividas.com), [www.crumpler.com](http://www.crumpler.com)