

Women's business

Thursday, 29 April 2010 | Kath Walters, Judith Tydd and Gillian Tan

There are 18 female chief executives on this year's BRW Fast Starters, out of 38 female founders. That's new. A BRW survey from 2006 – Australian Female Entrepreneur Report – found that women struggled to find capital and support, were constrained by the demands of motherhood, and suffered the effects of sexism from suppliers and even their own male staff.

The 2006 Fast Starters list featured 13 companies that were started by women but not all were in leadership roles and none was under 30.

Today's fast women are younger, more hopeful, more ambitious, more comfortable with risk. They see themselves contributing in the future to the upper echelons of business.

Nonetheless, at 20 per cent of founders and 18 per cent of leaders, women are still under-represented among the Fast Starters.

Now, in a valuable update on the 2006 survey, BRW delves deeper into the attitudes of the female chief executives of this year's Fast Starters companies to discover their thoughts on business, leadership, gender and the future. Some of them reveal the personal hurdles they have overcome, including battling their own perfectionism and reluctance to delegate.

Visible role models – observing the success of other women leading businesses around them – is the chief reason women cite for the growth in the number of female entrepreneurs.

The founder and chief executive of photography studio Verve Portraits (ranked 44), Holly McErvale, who oversees 50 staff, says: "I have had female employees say it is inspiring for them to see a woman in a leadership role and it has given them the guts to step up for a promotion and know that it is possible." About 70 per cent of McErvale's senior executives are women. (See Face value, page 43)

Miranda Bond, who started organic cosmetics company Inika (ranked 51), shares this view.

"There are more and more great examples of women business leaders and when I think of those who have gone and done this before, I think, if they can do it, I can do it too," she says.

Before they start their companies, women see the benefits of entrepreneurship as flexibility, independence and the chance to realise a challenging vision. "I wanted to be in control of my own destiny as a business owner and a single mum," Bond says.

They yearn to pursue serious ambitions. McErvale says she always had big plans for Verve after reading David Schwartz's best-seller *The Magic of Thinking Big* (Simon & Schuster, 1959). Bond regards Inika as part of her "mission in life – to educate and inspire women towards natural health living".

Once they get started, they find the growth exciting. Jo Burston, chief executive of contractor management services firm Job Capital (ranked 30), says: "Our business reached a milestone in March that we had anticipated reaching in June. The most obvious pro of leadership is success and hitting benchmarks ahead of predictions."

The founder of cabling e-tailer 4Cabling (ranked 66), Nicole Kersh, says: "The goal posts keep changing, and the challenge of reaching the next step is really rewarding. We have surpassed all our expectations, so we keep pushing ourselves in new directions."

Women are often coy when talking about money and Bond is the only woman on this year's list who breaks the mould, nominating "wealth creation" as an unexpected excitement of her company's success.

Many women started out with the fear that work would overwhelm them and their families and most say that fear has been realised.

"Running your own business is hard work, as I anticipated," says Grace Chu, chief executive of online marketing company First Click Consulting (ranked 34). "I'm lucky to have a great team, but ultimately ... the buck stops with me."

Fear has many facets.

"The fear is not only of failing, it is of losing the dream," says the chief executive of Skye Recruitment (ranked 56), Sophie Macdonald.

Asked about the qualities of good leaders, BRW's fast women cite planning, communication and decisiveness. They speak of the ability to identify and nurture talent in areas that complement their own strengths, and of the capacity to inspire, motivate and understand people. These are not unlike the things that male leaders say.

Many women, but not all of them, think women bring different qualities to leadership roles. They value



these differences and are not afraid to identify them.

A common theme is that women make better people managers; being more empathetic, they foster good professional relationships and understand the personal lives and goals of their staff. They're good with detail. They multitask.

"We all know that women think differently to men," says Suzanne Pearson, joint chief executive of corporate communication consultants Pearson Trueman & Associates (ranked 22). "Women bring a sense of empathy to the professional arena, and tend to ask more questions. Women can juggle both strategic and operational tasks more effectively."

Sydney lawyer Katie Malyon, chief executive of Katie Malyon & Associates (ranked 71), is sure that women complement male leadership qualities. "We are nurturing ... think reflectively from multiple perspectives ... good at being inclusive ... persuasive." (See Malyon's law page 44)

Those women who feel gender is irrelevant to leadership – and state their case with equal conviction – say leadership is an individual matter. Skye Recruitment's Macdonald says: "Making assumptions as to what someone will bring to a role based on gender is not only getting into dangerous territory in terms of stereotyping and discrimination, but also may mean that an individual's skills and training needs may be overlooked."

Some still struggle to find growth capital, but funding is not the first issue raised when the fast women discuss the challenges small business present. Malyon says she is always "avoiding the strawberry jam syndrome – spreading myself too thin".

Maintaining the corporate culture, updating systems in line with growth, staying focused on strategy before day-to-day problems are among the other issues the women cite – suggesting that men and women share similar entrepreneurial pains.

Six of this year's fast women are aged under 35, although 4Cabling's Kersh is the only one under 30. Nine are aged between 35 and 45 and four are over 45: Pearson, her colleague and co-founder Shannon Trueman, Malyon and the co-founder of public relations consultants ruby cha cha (ranked 98), Ellen Baron.

Having achieved success, and fast growth, this year's women entrepreneurs are quick to identify the hurdles they have overcome. Verve's McErvale says those outside her business always assume she has a male partner. "I say to them, no, I can actually own the company myself."

McErvale says her own reluctance to delegate has presented bigger problems. Her solution is to improve her communications skills.

"The big one for me is wanting to do everything," she says. "You know exactly what you want and the challenge is to communicate that to someone else, and trust them to do it."

Bond has had to tackle a related issue: her perfectionism plagued her during the first year in her cosmetics business. "Women are very hard on themselves and each other and we carry this guilt trip all the time. I would make a mistake then beat myself up. I literally had an epiphany. I learnt to welcome mistakes because I wanted to create a culture of innovation and creativity."

Today's fast women see themselves as tomorrow's leaders. Asked if they aspire to sit on the boards of large listed companies, most believe they have plenty to offer. "Yes, I would serve on a board," Malyon says. "Such a position is prestigious, can be done part-time, would be rewarding and build on my skills and experience. I also believe any woman would complement the attributes of any typical [overwhelmingly] male board."

Face value: Holly McErvale

Family portraits needed a makeover to attract modern parents.

Staid assemblies of parents and children looking all too perfect (if bored) were losing popularity. The only alternative was an olde-worlde dress up – fun for some, but not everyone.

Enter Holly McErvale, a photographer looking for excitement on her side of the lens. "Verve Portraits is an incredibly modern version of the standard family portrait. I wanted to offer the new generation something that was meaningful, but also looks fantastic," McErvale says. Overseas, she saw companies that combined photography with graphic design to create something

unusual for their customers. McErvale added her own touches. "With that in mind, I wanted to push the whole customer experience," she says.

"I want customers to come in and have a great family experience, five-star service the whole way through. When they look at their family portrait, I want them to say it was the best family bonding time they have



had.”

Families are invited to a consultation designed to capture essential elements of their personality and to bring their own props. “All our photographers have free rein in the studio, and we have had snakes, rats, surfboards, a Harley-Davidson. Every shoot is a different experience.”

After the shoot, graphic designers set to work and once the work is finished, the family are treated to their first viewing in cinema rooms, along with champagne and popcorn.

Prices start at \$290 and go to several thousand dollars, but most families pay about \$2000.

The company has three studios – two in Melbourne and one in Sydney, employs 50 staff, including photographers, graphic designers, marketing, administration and information technology people.

Verve debuts on the BRW Fast Starters in 44th position, with revenue in 2008-09 of \$3.1 million and a growth rate of 70.8 per cent. McErvale started the company on her own, but has recently employed her brother (a singer) as marketing manager and her sister (a dancer) in sales and training. She is toying with the idea of involving an investor to turbo-charge growth, but is worried about ceding control.

Having gone into the venture with “zero experience” of business, McErvale is relishing the leadership role, and considering studying management. “I have learnt along the way and it is a huge learning curve, but I would like some theory to back up the practical side,” she says.

The next 12 months holds “major, major growth”, McErvale says. This includes more studios (she is not revealing where) and new products.

The company offers exclusive products, such as one with up to nine interchangeable modules and another for which the image appears to float within the frame, showing the wall behind, which becomes the matt board.

Debutante: Katie Malyon & Associates

Constant commitment to a highly evolving area of law has helped to snare debutante Katie Malyon &

Associates 71st position on this year’s BRW Fast Starters list.

Second only to tax, immigration law attracts more legislative changes than any other legal practice, but

founder and principal Katie Malyon says it’s also one of the more positive areas of law.

Malyon practised with top-tier law firm Clayton Utz and Australian Business Lawyers for a collective

19 years before venturing into sole practice.

She says the opportunity to specialise in immigration law is a win-win-win situation.

“It’s a win for employers who can solve a skills shortage, a win for migrants who want to call Australia home

and it’s a win for the Australian economy,” she says. “It’s a satisfying area of law.”

Malyon established the firm in July 2005 and says the steep growth trajectory observed over the first three years of operation dipped markedly in the middle of last year.

The financial downturn meant the firm wasn’t able to open the same volume of files and revenue. Hours suffered as a result.

“As soon as the crisis hit revenue dropped ... by a lot,” she says.

“We reduced our staff hours and went to working nine-day fortnights and froze staff salaries. We’ve also had a lot of slow-paying clients – people who would normally have paid promptly.”

This has created cash-flow pressure on already slim margins, and Malyon says that despite securing double-digit yearly growth early on, the firm is expecting to record single-digit growth this financial year.

But, for 2008-09, the firm turned over \$1.7 million – a 6.7 per cent increase on the previous year.

Behind the increase is the growing number of international, Australian Securities Exchange-listed and private company clients who require employment contracts adjusted to manage sponsorship arrangements.

The firm also attracts referral work from top-tier law firms that don’t offer immigration law advice, including Freehills and Clayton Utz.

Although consideration has been given to offering other areas of law, diversification of the practice mix would logically come in the form of a merger – but she insists one hasn’t been actively sought.

“They’d have to have complementary practice areas to offer our clients,” she says. “For now, we’ll stick to what we do well.”



Go-between: Lindy Chen

ChinaDirect Sourcing's managing director, Lindy Chen, is one of the lucky few to have benefited from the global financial crisis.

Her business is straightforward: assistance for Australian companies wanting to move the manufacturing of their products to China to cut costs. Chen's turnover has grown rapidly to reach \$1.25 million in 2008-09, its fourth year of operation, which earns her company a ranking of 81 on this year's BRW Fast Starters .

Chen followed love to Brisbane (which didn't last), instead discovering a niche market (which did).

The 38-year-old from Guiyang in southern China found she couldn't get a job when she moved, so she

volunteered to host a Chinese Culture Emerging Day in association with a local art centre. Chen became confident in her ability to present and quickly made local contacts, who asked if she could help source quality Chinese-made products.

Before emigrating, Chen worked in manufacturing and pharmaceutical industries in China, where she attended trade shows and compiled a database of suppliers.

When this venture proved successful and popular, Chen founded ChinaDirect Sourcing. Clients save between 30 per cent and 80 per cent by importing directly from Chinese factories, even when they outsource the management of the process to Chen. She solves one of the biggest risks – the language barrier – with a team of five in China managing the negotiations. Chen guarantees her clients' intellectual property will be protected through non-disclosure agreements and suggests they trademark their intellectual property within their target markets.

ChinaDirect tests the feasibility of moving production overseas, develops and receives tenders including samples for quality control, and handles all the price and delivery negotiations.

Chen keeps the process transparent; the most suitable supplier is chosen from a pool of more than 30,000.

Products range from steel nails and bathroom, kitchen, bedroom and office fittings to furnishings, textiles, chemicals, paper, plastic and electronic gear.

Chen started with minimal start-up capital; she couldn't afford a computer and worked from internet cafes, saving her entire business operations onto a \$49 USB portable drive. She no longer presents her proposals to clients in coffee shops, and runs a home office with 10 employees who handle more than 300 clients.

She is keen to expand ChinaDirect internationally – first aiming for New Zealand, the UK and US.



Kath Walters, Judith Tydd and Gillian Tan (2010). *Women's Business*. Available: http://www.brw.com.au/p/lists/fast/women_business_1mtk57VtoHX1cfAf1G0yHL
Last accessed: Thursday May 20, 2010