

# Business Innovation & Incubation National Forum 2016 : Adelaide



16<sup>th</sup> May 2016

Mr Russell Lornie



## Understanding The Local Entrepreneur & Small Business Ecosystem



Detroit vs. Adelaide (& Beyond)

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## A World Apart..... Same Challenges & Opportunities



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## An Innovative Accelerator

The image displays two screenshots from the Spark@nn arbor usa website. The left screenshot shows a navigation bar with links: HOME, ABOUT US, GET STARTED, WORKING HERE, and CONTACT. Below the navigation is a main banner with the text "DRIVING THE FUTURE OF TRANSPORTATION" and a sub-header "Applied engineering, manufacturing, and technical education for job-orientation, the essential and business-critical pathway." At the bottom of this section are three icons labeled "STARTED A COMPANY", "CHECKING A LOCATION", and "LOOKING FOR A JOB".

The right screenshot shows a video of Jack Miner, a man in a suit, speaking. A caption below the video reads "Jack Miner, University of Michigan graduate and former..."

Below these screenshots are two promotional banners. The left one features the "SPARK @nn arbor usa" logo. The right one is a "THANK YOU 2016 Annual Meeting Sponsors" banner, listing categories such as "PREMIER SPONSOR COMCAST BUSINESS", "PARTNER SPONSORS TOYOTA ARBOR", "SUPPORTING SPONSORS" (including Comcast, PNC Bank, and others), and "CONTRIBUTOR SPONSORS".

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## Public Private Partnership – Virtual Business Advisor

The image displays two screenshots from the Virtual Business Advisor website. The left screenshot shows a navigation bar with links: HOME, ABOUT US, GET STARTED, WORKING HERE, and CONTACT. Below the navigation is a main banner with the text "Virtual Business Advisor - Economic Development Tool" and a sub-header "Virtual". The main content area includes a paragraph describing the tool as a "public-private partnership" and a "business readiness tool". Below this is a "COMCAST BUSINESS" logo and a "THANK YOU TO OUR FUNDERS" banner featuring logos for Google, EDC, and mckinley.

The right screenshot shows a video of a group of people sitting around a table in a meeting. A caption below the video reads "Demo Co" and "Business Innovation @ Incubation Australia".

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## Virtual Business Advisor

## Virtual International Advisor

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## The Same Program Piloted In Australia

**Test Your Readiness**

**PURPOSE OF THESE QUESTIONS?**  
Entrepreneurs are sometimes unprepared for what it takes to succeed in building a business, and do not adequately prepare themselves or their families for the journey ahead.

**This assessment will help you answer the following questions:**

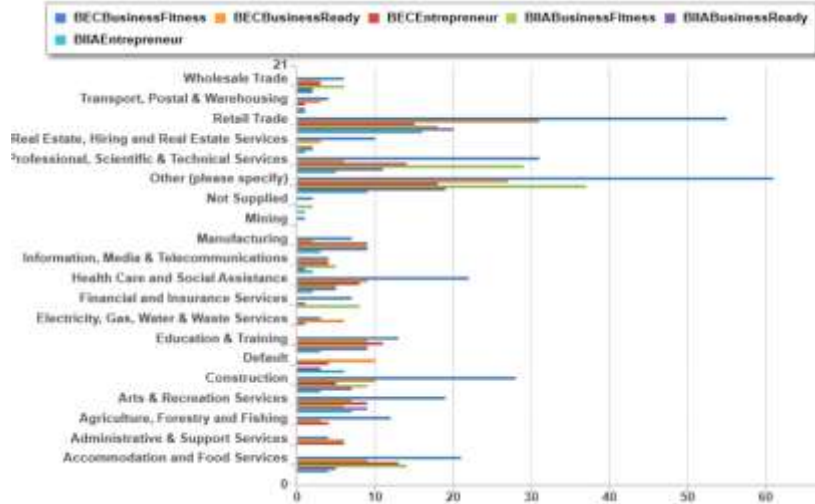
- Am I not used to being an entrepreneur?
- Do I know what it takes to run my own business?
- Are there any major obstacles that I must address before moving forward?

**WHO SHOULD ANSWER THESE QUESTIONS?**  
If you have a great business idea but have not yet decided into what it takes to own your own business, start with this assessment.

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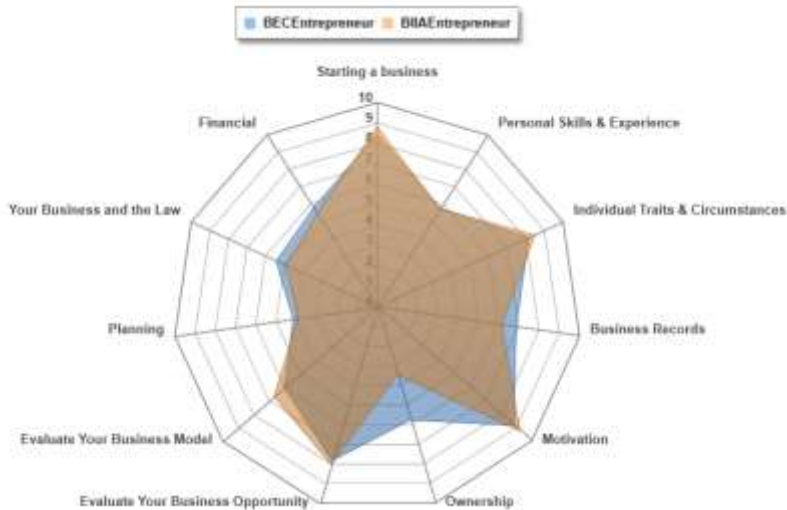
## BIIA (Adelaide) and BEC ( Darwin)



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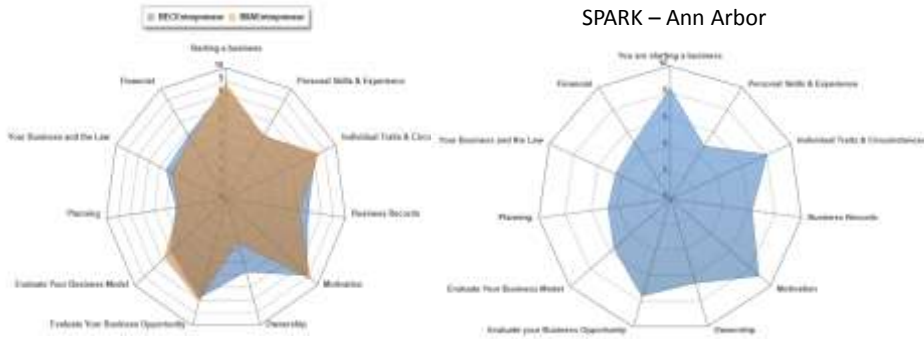
## Entrepreneurs In Darwin And Adelaide Have Very Similar Profiles.....



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## .....And So Do Entrepreneurs In Ann Arbor



*Significantly short in personal skills, financial capacity and planning*



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## Entrepreneurs Start Out With Conviction, Passion And Optimism!!!!

You would like to make money for yourself and be your own boss.	98
Do you consider yourself to be a self-starter?	87
Are you passionate about running your own business?	97
You have a business idea you think might work.	96
Do you know how your product will benefit your customer?	95
Have you discussed the support and understanding you will need from your family to get started?	92
Are you prepared for the impact that starting a business will have on your personal and family life?	91
Do you know who your customers will be?	87
Have you considered how much of your time and money you are prepared to risk?	85
Do you have an experienced business person you can speak to for advice?	83
Are there any other personal barriers (other than money) you face in starting a business?	80



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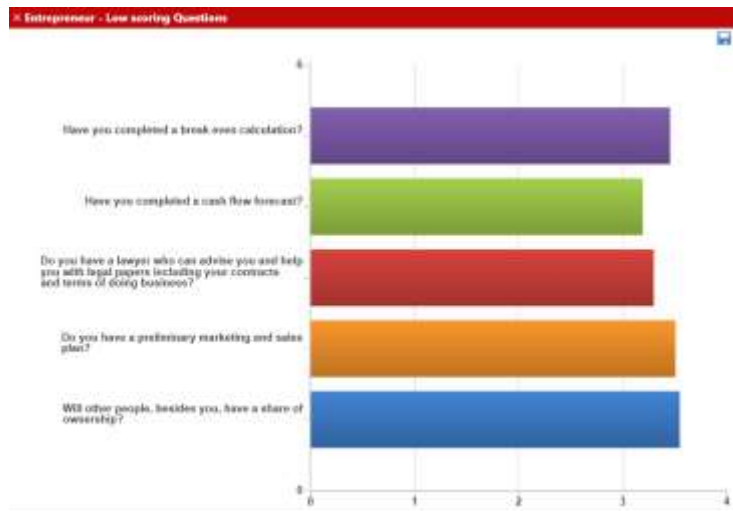
## But Are Short In Experience And Skills..... And May Be Going Into Business For The Wrong Reasons

Have you ever worked in a business similar to the one you wish to start?	57
You are frustrated with your existing job.	54
Do you know how to develop and/or do you have a business plan?	48
Have you ever owned or run a successful business?	31

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## New Business Starts Out Inadequately Prepared

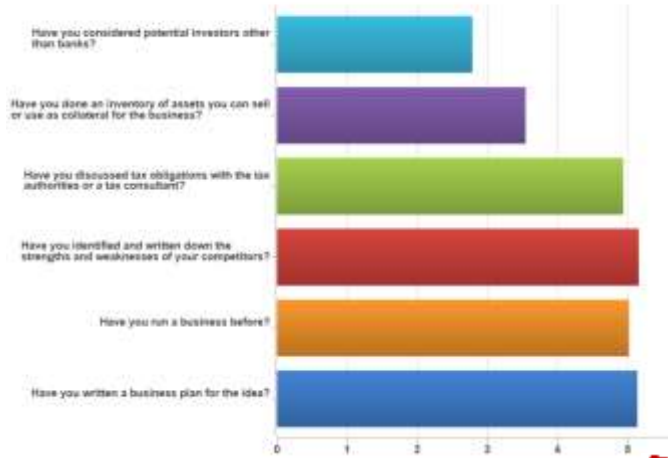


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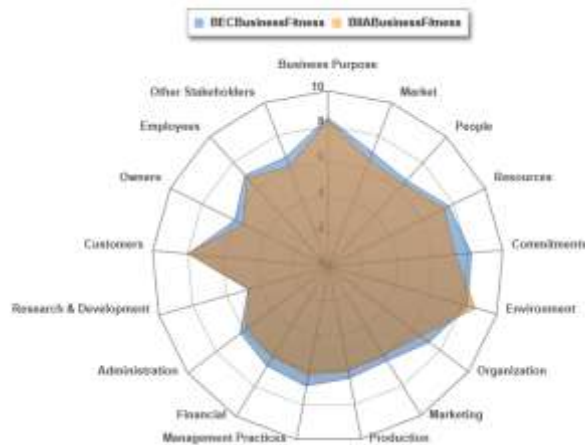
Business Ready - low scoring Questions



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## Once Up And Running Business Face The Same Constraints To Growth



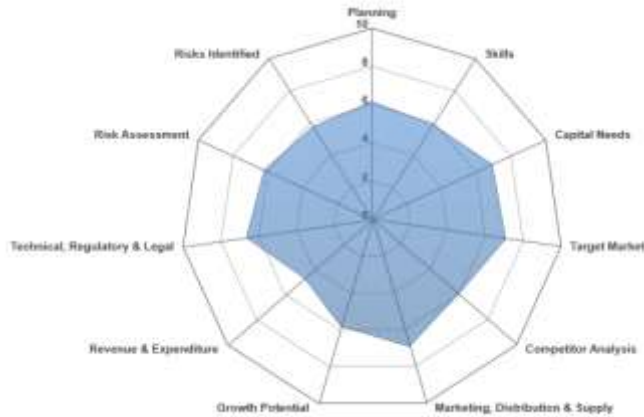
Issues with people management and resources, R&D, and stakeholder expectations

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## Business Fitness : Spark Ann Arbour



Revenue shortfalls, expenditure control, skills shortages, planning and risk management could be constraining growth.

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## Highest Scoring Responses

Business Fitness - Health Check

I am highly visible in my business and usually available to all of my employees	97
I always comply with relevant industry awards and regulations.	93
I can clearly describe the business I'm in.	92
I have a good relationship with residents and members of my local community.	90
I fulfil all government taxation requirements, such as the timely filing of tax returns, superannuation payments	89
I let my employees know that I am open to receive their feedback about the business	89
I have positive working relationships with my team and rarely have disciplinary problems.	88
I believe that my team enjoys coming to work.	83
I believe that I understand what motivates my employees.	83
I have recently reviewed the general insurance policy for my business to ensure that I have enough coverage.	82
I constantly review my products and services to improve them, and better serve the needs of my customers.	81
I know who all of my competitors are.	81

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## Lowest Scoring Responses

Business Fitness - Health Check

I have a standardised process for reviewing employee performance.	50
I know what my Gross Profit, Net Profit, and Break Even Point are for each product or service I sell.	48
I could leave my business for four weeks with little or no impact to the bottom line (profitability).	47
I have operations manuals detailing procedures and policies needed to run the business in my absence.	47
I have a detailed budget for the next 12 months of operations.	45
I know what my business will look like in 5 years.	43
I have completed a detailed risk assessment for my business within the last 12 months.	42
I have a disaster contingency or recovery plan in place for my business.	36
I have succession plans in place for my business, in case something was to happen to me.	35
I always achieve my financial targets.	32
I have a current, written business plan.	28
I have previously benchmarked the financial performance of my business.	25

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## Some Interim Small Business Findings: Australia/NZ (Aggregated Business Fitness Programs)

- One third are not achieving their financial targets
- 40% are not making a profit
- Over half feel they can't leave their business for 4 weeks
- Nearly half don't have a budget
- 40% have business heavily reliant (50%+) on a single client
- Over 70% have no disaster contingency plan
- 60% have no written business plan
- Over half don't set short term targets

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## Insights

- ❑ Start ups are driven by hope, naivety, passion and self belief
  - ❑ But 50% of Entrepreneurs don't have the skills and experience to succeed.
  - ❑ They are confident in their business idea but have less understanding of the commercial model and the financial requirements .
  - ❑ Business planning and risk mitigation disciplines are significant weaknesses
  - ❑ Start ups concentrate on marketing and distribution strategies but have a lower understanding of their revenue and expenditure models.
  - ❑ They do not seem to have identified their risks with little thought to contingencies and a low level of understanding of competition.
  - ❑ As they grow, constraints are across the board with people and resources becoming a major issue.
  - ❑ There is relatively less emphasis on Research and Development which may limit sustained flow of innovation and new products.
  - ❑ Building a healthy Angel/Venture Capital market to support the Entrepreneurial eco-system requires lower risk and better returns.
- .....You cannot manage risk without measuring it.

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## Thank You

**Russell Lornie**  
General Manager - Australia



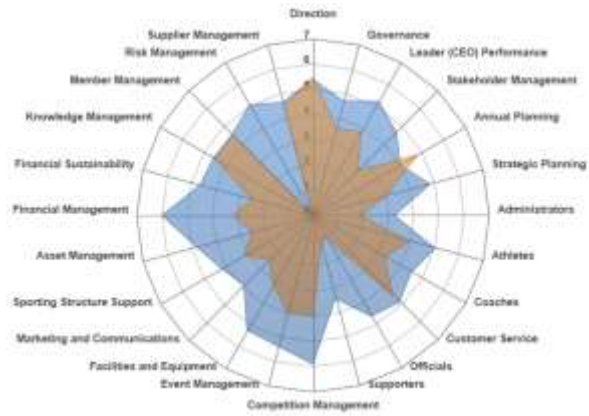
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## The Business Of Sport.....Leading The Way



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