



## The support that makes start-ups successful

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By Nigel Bowen

Many otherwise savvy start-up owners increase the risk of their enterprise falling in a heap by failing to take advantage of the support that's readily available to them. So how can your start-up benefit from the support systems currently in place?

### Don't go it alone

Mark Gustowski is the global development manager at Pyksis, a business that has helped over 1000 Australian start-ups commercialise their innovations. He says the characteristics that drive someone to launch a start-up are often the ones that can create trouble later on.

"Entrepreneurs are typically spontaneous, independent, impatient risk-takers," Gustowski says. Those character traits are useful for an entrepreneur, he notes, but not if it means they fail to have the patience to tap into other people's knowledge to build a solid foundation for their business.

"If you go to a specialist provider, the first thing they will do is analyse your go-forward position, which may include speaking with a good patent attorney to ensure your intellectual property strategy is sound. Then they might advise you to rethink your business structure. A lot businesses start out in the trust

structure when they'd be better off as Pty Ltd to access government grants.”

### **The government is your friend**

Government grants are (largely) a free lunch, allowing start-up owners to source funding without having to dilute their equity. Yet Gustowski is “constantly amazed” by how few businesspeople take advantage of the grants, tax breaks and training programs governments provide.

“Lots of businesses aren’t aware of the R&D tax concession, which can provide up to 45 cents in the dollar. And the federal and state governments fund a lot of other activities. Victoria, for example, runs a small business MasterClass for Growth and a Regional Technology Commercialisation Program. Through Business Victoria, it also matches start-up owners with business mentors. And it funds export delegations to places such as the US and China.”

### **Rely on the kindness of strangers**

Danial Ahchow’s seven-year-old business, Service Central, recently clocked up its 300,000th customer, and almost \$1 billion worth of work has gone through his site, which allows tradespeople to bid on jobs.

Apart from applying for a Commercialisation Australia grant, Ahchow didn’t seek much support in the early days of his business. However, he quickly discovered other ways to improve his business.

“If you have an interesting business problem you can approach anyone, whether you know them or not, and they’ll usually meet you for a coffee and help you solve it,” says Ahchow.

Ahchow is a big believer in drawing on the wisdom of the crowd, which can usually be accessed at no or minimal cost.

“I’m an avid user of LinkedIn and use the forums on there to ask questions and get information. I was also a member of a TEC [The Executive Connection] group, where 12 CEOs meet for a full day every month to discuss their businesses and bounce ideas off each other.”

### **Starting up is just the start**

Gustowski cautions that while there’s a lot of support for start-ups at the early stage, that doesn’t carry through to the next phase: creating a viable, ongoing business.

“What everyone says is true,” says Gustowski. “Australians are good at coming up with fantastic ideas, and there’s lots of support offered at that stage. But we’re not particularly good at providing support for turning those fantastic ideas into global businesses.”

Ahchow thinks there is a great opportunity for founders of Australian start-ups to take the initiative and start providing more support for each other.

“Australian start-ups don’t tend to share with and support each other. That competitiveness comes about because everyone is chasing the same investors. On the funding front, I’d like Australian super funds to invest one per cent of their funds in this country’s start-ups. That would transform the whole start-up scene and undoubtedly lead to the funding of the next Google or Facebook.”

If you’re a start-up owner looking to maintain the success of your venture, be sure to stay in contact with other entrepreneurs and take advantage of every support system in order to give you that extra edge.

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