

How to build a business empire in five years

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While still on the right side of 35, Jamie Davison has built up a chain of accountancy-related businesses with his business partner Nathan Hood. Here he shares his hard-won wisdom with aspiring entrepreneurs

Jamie Davison is the kind of overachiever that professional-services firms drool over. But the Perth-based 34-year-old doesn't work for PwC or KPMG. In 2012, he walked away from a regular pay cheque to launch a cloud-based bookkeeping business. A couple of years later, he joined forces with accountant Nathan Hood to launch Carbon Group (<https://carbongroup.com.au/about-us>) (they envisioned Carbon Group offering a range of accounting and financial services to SMEs).

Pursuing an aggressive growth strategy, Davison and Hood have acquired or merged with 10 businesses over the last four years.

Below, Davison offers five tips to would-be entrepreneurs.

Ask yourself if you want freedom or security

Not everyone is cut out to be an entrepreneur. The flip side of that is that lots of people aren't well-suited to being employees. Neither option is better than the other. But you're unlikely to be happy in an employee role if you're temperamentally inclined to be an entrepreneur and vice-versa.

The difference between owning a business and working for one is like the difference between renting and paying off a mortgage. There's only one option where you have equity and can build serious wealth.

Sure, there are well-paid employees, some of whom have an equity stake in the business they work for. But even if you're pulling down the big bucks as a partner at, for example, an accountancy firm, you're still constrained by a corporate culture you didn't create. There just isn't the same sense of fulfilling your own dreams and controlling your own destiny that comes with running your own business.

Realise freedom isn't free

If younger people are more entrepreneurial than their parents and grandparents were – and I believe they are – it's partly because they are much more exposed to successful entrepreneurs. The likes of Mark Zuckerberg, Elon Musk and Jeff Bezos are all over traditional and social media. People of my generation see those self-made billionaires and think, 'Well, if they can do it, so can I.'

Well, yes, you can do it, but you need to be prepared to pay the price.

Our business took off quicker than I expected. But there was still a long period of living on two-minute noodles, working 18-hour days, hustling non-stop and returning client phone calls at all hours of the day and night.

If you're starting a business in your twenties or thirties that can mean missing out on, or delaying, a lot of things your friends are doing. Such as travelling, getting married, buying a house and starting a family.

"Yes, you can do it, but you need to be prepared to pay the price."



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Fake it till you make it

There's an internal and external aspect to this. The internal aspect is that you need to be confident that if you just work hard enough the business will ultimately succeed. You might have no idea what you're doing, but you need to project confidence to customers and staff and keep your motivation levels high.

On the external side, do everything possible to appear larger than you are. Invest in a good website. Get a landline and an office address even if you're working out of your garage. Meet potential clients at a serviced office, rather than a coffee shop.

Don't view it as being deceptive, see it as starting where you hope to finish.

Leverage the wisdom and resources of others

Successful people appreciate having their time wasted by others. But if you listen to a mentor's advice and action it, it's amazing how much time and energy they will give you. So, don't be shy about approaching those at the top of your industry – or even other industries – who have something to teach you.

Entrepreneurs, especially when they are starting out, often leverage the resources of others. We used this strategy when starting Carbon Insurance by becoming an authorised representative of a Steadfast insurance broker. This meant, early on in Carbon Group's journey, we had back-end support from a big network. We could use the buying power that network had to get deals that never would have been offered to a stand-alone small business. We could also use the systems they provided, rather than spend lots of time and money developing our own.

I value the peace of mind that comes with safeguarding the future of the business I've devoted so much time and energy to building up.

Cover your asset

The businesses making up Carbon Group have extensive insurance cover – workers' compensation, professional indemnity, public liability and management liability. After hearing some horror stories from clients in the IT field about businesses being offline for weeks, I recently got cyber insurance as well.

Many of the policies Carbon Group has are legal or industry requirements but I'd take them out even if they weren't. I've never found the cost of our premiums unreasonable. Plus, I value the peace of mind that comes with safeguarding the future of the business I've devoted so much time and energy to building up.

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