

# Who runs the hipster economy?

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Salvatore Malatesta, "can see my business selling coffee to the good folk in places such as Western Sydney or regional Queensland." Photo: [abaxter@fairfaxmedia.com.au](mailto:abaxter@fairfaxmedia.com.au)

It's not often anyone has a kind word for hipsters. So when Douglas McWilliams, former chief economist for IBM UK, current executive chairman of influential, London-based think tank the Centre for Economics and Business Research, and a free-market conservative, recently released *Flat White Economy*, a book lauding their economic contribution, it attracted attention.

McWilliams asserts that although what he calls "flat whitters" are green and socially progressive, they are also impressively entrepreneurial. He argues their contribution to national economies is underestimated by outdated statistical measures and that, however satirised it is initially, much of what they adopt early (think yoga, quality coffee, Apple products, Instagram and craft beer) ends up crossing into the mainstream, throwing up plenty of business opportunities for those savvy enough to bring urban chic to the suburban masses.

McWilliams, who points out that Britain's computer service and programming industry is twice as large as its oil and gas sector, wrote the book partly out of frustration that politicians, policy makers and the general public fail to recognise the current scope or future potential of what he's christened the 'flat white economy'.

"I define flat whitters as those that work in the world of digital culture, they're people employed, and often self-employed, in industries such as the media, marketing and technology who live and work in urban areas," he says.

What separates out flat whitters – be they business owners or employees – is their idealism and innovativeness. "Running a flat-whiter business is in many ways the same as running any other sort," notes McWilliams. "But there are two things that anyone looking to launch one should keep in mind. Firstly, people who work in the flat-white economy are quite individualistic and idealistic and need to be managed sensitively. That said, if you can get them on your side, they will fight the most amazing battles of your behalf. Secondly, the digital economy changes faster than any other. Entrepreneurs in this space need to innovate constantly and get good at quickly shutting down failed experiments."

At least two Australian hipster businesspeople believe he's on the money. Melburnian Salvatore Malatesta started his first cafe at 21 while studying law. His current "family of coffee houses" includes seven cafes in Sydney and Melbourne. They operate under a number of different brands because, as Malatesta notes, hipsters aren't big on cookie-cutter franchises. "I see myself as a hipster, not in the cartoon caricature but in the original 'early adopter' sense of the word," Malatesta says. "I think everyone who works for me and many of my customers would also fall into that category."

"Staff who demonstrate commitment, passion and an impressive skill set are offered shares in the company and I've also invested in ventures that staff have launched," Malatesta says. "The reason I'm doing this rather than working as a lawyer is because, first, I need to feel constantly engaged and stimulated and, second, I want to make a social contribution."

Part of what's currently keeping Malatesta stimulated is working out how to remain relevant to his inner-urban clientele and market his wares to those outside the latte belts of capital cities. "Every eight weeks we reinvent the menu – we act like we've been around for 12 months not 10 years. You've got to stay on the ball," Malatesta notes. "Everyone now drinks coffee so this business is certainly scalable and, yes, I can see my business selling coffee to the good folk in places such as Western Sydney or regional Queensland. Our mission is to become the world's largest speciality coffee business."

Juice- and smoothie-maker and courier Simon Fowler is equally ambitious. Though his business is only a year old he likes to daydream about

commanding a worldwide fleet employees wearing watermelon helmets and riding Dutch cargo bikes.

"I started Simon Says Juice a year ago after getting fired from my job as a barista," the 30-year-old says. "I decided it would be the last time I'd use my creative and emotional energy to build someone else's business rather than my own."

Fowler is fully aware of the branding benefits of using an eye-catching bike rather than van to make deliveries around inner city Sydney but he says he has a genuine commitment to the planet's, his customers' and any future employees' wellbeing. "Electricity is needed to power the appliances I use to make my juices but I aim to have as small an environmental footprint as possible," he says.

"I started out making and drinking juices to improve my own health and I'd hope the ones I'm selling now are improving the health of my customers. I've just put someone on to take care of weekend deliveries and it's great to be able to help him support himself and see how much joy he gets out of his work. If I can offer jobs to more people as the business grows, then that will be a chain of goodness that just keeps flowing outwards."

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