

Business Network

Finding jobs for others adds up for recruiter

Janine Perrett finds an innovative employment agency specialising in part-time bookkeepers.

OVERCOMING adversity can be the catalyst for entrepreneurial endeavour but, in the case of Kathryn MacMillan, plenty of others have benefited from her success. As well as the mature-age employees and working mothers she has placed in jobs, many small businesses have found help with their paperwork burden, thanks to her innovative recruitment firm.

The biggest beneficiary is MacMillan herself, a former ballerina who overcame serious health problems to found Nine2Three Employment Solutions, which specialises in placing older workers in part-time bookkeeping and office support jobs.

Her biggest challenge today is managing the company's success. In the past six months revenue has jumped 100 per cent and profits are up 250 per cent, so she is keen to maintain the momentum.

"I started from scratch and, because it is a young company, it is still coming off a small base" she says modestly. "I want to keep these figures going."

With turnover already running at about \$500,000 a year, she is hoping to achieve \$1 million this time next year. Not bad for someone who wanted to be a ballerina.

"I got very close but I was not quite perfect enough so I started teaching," she explains.

From the age of 19 MacMillan ran her own ballet school at the prestigious Bondi Beach which at its height boasted 200 students and three staff.

But after 10 years she was diagnosed with the chronic autoimmune disease lupus. She was forced to take "bit of a rest" and, after the birth of her son, she found she missed working but faced problems re-entering the workforce.

"I knew a lot about management through running the ballet school but I had never worked for anyone else so I had no referees and my computer skills were not as good as they could be," MacMillan says.

"I responded to ads and went for clerical jobs but didn't get any interest. It really hit my self-confidence but I knew I could do it and I knew I had a lot to offer."

Two things changed her fate in 2000. Firstly she enrolled in a WOW course (Work Opportunities for Women) and then the introduction of the GST led her father-in-law to offer her work as a bookkeeper, as

she had done her own books for the ballet school.

"WOW gave me the confidence to get started and then someone gave me a chance," she says. The firm's accountant offered her a traineeship but she explained that she had to drop her son off and pick him up each day so she could only work certain hours.

"I told her I would certainly work hard in that time and I would sit at my computer and bring a sandwich to work, and she agreed."

MacMillan completed business administration courses and soon found herself in demand among clients who were happy to accommodate her part-time hours of nine to three - it was the genesis of the small business idea.

"I came to the realisation that I am a good bookkeeper but not fantastic, so what do I have that the clients want? It was reliability, maturity, life skills, responsibility. I thought there were a whole lot of women in the same position who wanted flexible working hours."

Together with her chartered accountant husband, Ross, she launched Nine2Three in October 2003. She already had clients' support so they advertised for the staff.

Today the firm has 500 candidates on its books, primarily mature women returning to the workforce. While the focus is on bookkeepers, which account for 65 per cent of placements, their success has led clients to ask the firm to supply other clerical staff as well.

Competition is fierce in the recruiting world but Nine2Three offers more experienced workers for flexible hours. While it might be a point of difference it also means MacMillan has to work at explaining and selling the concept.

She describes the challenge as "educating the workplace and being a catalyst for change".

"They often have a set in their mind of 9 to 5 and we have to change their attitude and tell them we offer flexibility," she says.

"Companies ring us and say 'I need a bookkeeper three days a week full-time' and we say here you considered four days a week part-time? We try to make them change their thinking."

Small companies in particular are attracted to the concept as they often only want someone once a month, and they don't want a school leaver."



The right moves... former ballet school owner Kathryn MacMillan now helps mature women return to the workforce. Photo: Lisa Wiltse

CHALLENGES FOR NINE2THREE EMPLOYMENT SOLUTIONS

- Educating the workplace and being a catalyst for change
- Managing resources to match growth
- Maintaining growth
- Progression from technician to strategic management

Nine2Three also services larger companies and can offer them traditional full-time bookkeepers if they prefer. MacMillan is keen to expand this corporate market.

Although the firm has a website it has not been used as an effective marketing tool until now, because it was set up as a frame-based site, which hampered search engine optimisation.

While she is keen to move into more traditional forms of advertising, she knows that she must be prepared - and there is no increasing demand if she doesn't have the supply to meet it.

She has used the media to lift her

move my mind space. I have to stop saying 'I will do that' and have to say 'it's not my job'."

However, there is one thing she does continue to do personally and that is the bookkeeping for her two original clients.

"I preach to my staff about their bookkeeping skills so it's good to keep mine current."

Kathryn and Ross's accounting skills not only give them a competitive advantage but also help in running their own business with things like strong debtor procedures with seven-day payment terms.

"We carry the staff for two weeks before the company gets invoiced, so we can't afford for the staff not to be paid wages," she explains.

meanwhile, her other big immediate challenge is expanding into new office space, after outgrowing her current base at the highly regarded SHED incubator in south Sydney.

The move will mean she has to address practical issues such as setting up a computer system whereby her part-time staff can access different computers each day. Then there is the vexed question of telephones.

"We have only one line and when I put in another line I want to know how to transfer between departments. I want to know if the Commander system is still the way to go. And do the phones come with training, does someone come out to help?"

Ken Coulson, 63, of Brisbane, writes about his experience in advertising for an office worker and specifically wanting to attract someone over the age of 50.

"However, I was told that it was not permitted to mention anything which might be used to discriminate," he wrote. "Fair enough, I placed an ad and stated that 'mature age is no barrier'."

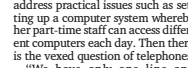
"Yes, I received some applications and yes, I started a 'mature-aged lady' who is still with me 11 months later and is an asset to me and my business."

No wonder Nine2Three Employment Solutions has found such a rich lead.

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Work toward traditional marketing vehicles

Paul McKeon
Corporate Communications Manager, Bell Australia



It's always great to see people who have identified a niche market and gone on to build a successful business that takes advantage of it. Kathryn has done an excellent job of both recognising a workforce in strong supply and building employer demand for its services.

Kathryn has already solved some of the greatest small business challenges: managing risk, time management and receiving payment. The remaining hurdles will not be difficult. I agree she shouldn't solely focus on Web marketing, though addressing the problem of frames on the website is a good step. In the recruitment industry, you still find people referring to the Yellow Pages and more traditional sources of information. She shouldn't ignore these avenues and might also consider frequent but small advertisements in publications read by employers in her target industries. There's no reason why she can't use the same strategy for recruiting additional mature employees at the same time.

Kathryn's free time should be directed toward networking with complementary businesses. This can generate mutually beneficial word of mouth referrals as well as providing feedback on what technology solutions similar colleagues have found most effective and easy to set up.

Observe competition to build strategic thinking

Rajarshi Ray
Head of Small Business Services, American Express



What a terrific name! One of the most vexing issues when establishing a small business is coming up with a new and marketable name that's not too obscure or common. Kathryn and Ross have hit the right note.

Kathryn's dilemma to move from 'doer' to 'manager' is common among many small business operators and there is no shame in having to struggle through it. In fact, one of the main reasons for small business failure is the owner living out the cliché of 'working in the business rather than on the business'. Kathryn's approach (and in particular, discussing the role change with her staff) is absolutely the right way to go about managing the transition - and it's something others could learn from. To this, I would add taking some time out to review her competition. Spending a few hours reviewing what competitors are doing is a great strategic management tool and can help businesses generate some fresh ideas.

Finally, a small suggestion: a recruitment agency is in essence a mobile business. What about ditching the landlines and replacing them with e-mail capable mobile phones? These are easy to use, easy to transfer, easy to share and would stop all the messing about with wires.

Build a strong brand to offset competitive threats

Ross Cameron
Chief Executive Officer, Cameron Research Group



Kathryn's story is a beauty; she has a business that makes immediate sense. In fact, I can't help but feel she has only scratched the surface of the market opportunity. A high proportion of SMEs we speak to would welcome exactly the kind of staff Kathryn offers: experienced, mature and reliable. Flexible working hours are not necessarily a problem for SMEs since many business owners work flexible hours themselves.

My main concern about Nine2Three's business model is around the question of barriers to entry. What would stop a competitor from doing precisely what Nine2Three does, but undercutting the price due to its larger scale? This might not be a problem if Kathryn doesn't want to grow much further; she could just work on maintaining good working relationships with her existing clients. But given she wants to grow the business, Kathryn really needs to work on building a strong brand.

I don't share Kathryn's concern about educating the market. Her business model is sensible and the prospect of mature, reliable staff who work flexible hours is compelling. That said, she should develop case studies and continue to seek client testimonials to generate momentum in the sales and brand building processes.

Engage a preferred supplier for organic growth

David Dandie
Chief Business Advisory and Training, Westpac



All businesses should have a business plan. Kathryn should identify her preferred supplier over the next 12 months, three years and five years, if she hasn't done so already, to make sure she is meeting her goal to maintain growth.

Nine2Three could grow its business organically through existing customers. For example, Kathryn could sign agreements with her best customers to ensure she is their preferred supplier by offering them incentives such as discounts. She should also continue growth by acquiring new businesses.

To expand her customer base, Kathryn could target businesses that have the history and understanding of providing flexible working hours. She could also target the events and networking groups that these businesses are involved in.

Kathryn should ensure the content and layout of her website appeals to clients and job seekers. She could create dedicated sections for both customer groups clearly explaining what Nine2Three offers them. Interested candidates could apply for positions online by completing a form and attaching their CV. Similarly, firms could register on the website. This could help Kathryn identify who is accessing the website and allow her to collect basic details before arranging face-to-face meetings.

Become a public speaker to educate target markets

Carolyn Stafford
Director, Connect



Many small firms have difficulty managing their business systems and processes, so the demand for Nine2Three's services has the potential to grow. While its current focus is on book-keeping and administration, in the longer term Nine2Three could consider expanding its services and moving into other industries such as human resource management. It could set up separate divisions within the company that specialise in these services.

Educating the workplace and being a catalyst for change is really a marketing task; it involves raising the profile of the business. To do this, Kathryn could become more involved in public speaking engagements and test seminars or events. She should develop relationships with industry bodies such as Certified Practising Accountants of Australia and the Financial Planning Association of Australia and directly communicate what her business can offer these target markets. Similarly, she should build alliances with recruitment firms that might be interested in the options her business provides. Kathryn should consider employing a public relations expert to help her develop a PR program.

Finally, in addition to testimonials on the website, Kathryn could develop case studies that explain in detail how Nine2Three has helped businesses and job seekers.

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