

Business Network

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Working 9 to 3, a way to make a living

Kathryn MacMillan is making her mark with women who want flexibility, writes Janine Perrett.

OVERCOMING adversity can be the catalyst for entrepreneurial endeavour, but in the case of Kathryn MacMillan plenty of others have also benefited from her success.

As well as the mature-age employees and working mothers she has placed in jobs, many small businesses have been helped 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 part-time workers in book-keeping and office support.

Thankfully, her biggest challenge today is managing the company's success. Revenue has jumped 100 per cent and profits are up 250 per cent in the past six months.

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

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

"I got very close, but I was not quite perfect enough, so I started teaching," she says of her career path.

From the age of 19, MacMillan ran her own ballet school at the Bondi Beach Pavilion, which at its height catered for 200 students and three employees.

But after 10 years she was diagnosed with the chronic autoimmune disease lupus. She was forced to 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.

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. First, she enrolled in a WOV



Kathryn MacMillan saw the opportunity for an accounts and clerical recruitment company catering for working mothers and mature-age women after being in a similar situation. PICTURE: LISA WILSON

course (Work Opportunities for Women) and then the introduction of the GST led her father-in-law to offer her work as a book-keeper, given she had done her own books before.

"WOW gave me the confidence to get started and then someone gave me a chance."

The firm's accountant offered her a traineeship, but she had to drop off and pick up her son each day, so she could only work certain hours.

"I told her (the accountant) 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 willing 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 book-keeper but not

fantastic, so what do I have that clients want? It was reliability, maturity, life-skills, responsibility and I thought there were a lot of women in the same position who wanted flexible working hours."

With her chartered accountant husband, Ross, she launched Nine2Three in October 2003. Today the firm has 500 candidates on its books, primarily mature women. While the focus is on book-keepers, 65 per cent of placements, their success has led clients to ask the company to supply other clerical staff.

Competition is traditionally fierce in the recruiting industry but Nine2Three has created a niche by offering 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.

"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.

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; they want a person who is reliable and experienced".

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

Although the company has a website, it has not been used as an effective marketing tool until now. While she is keen to move into more traditional forms of advertising, MacMillan knows she must be prepared and there is little use increasing demand if she does not have the supply to meet it.

MacMillan has used the media to lift her profile, writing articles on the highly newsworthy issue of mature-age workers, and she is keen to free herself from office duties to concentrate on activities such as networking.

Kathryn and Ross' accounting

CHALLENGES FOR NINE2THREE EMPLOYMENT SOLUTIONS

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

skills have not only given them a competitive advantage but have also helped in running their own business in areas such as debtor procedures.

"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."

Her other immediate challenge is expanding into new offices, after outgrowing her current south Sydney premises.

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BUSINESS NETWORK
Work smarter, not harder

The aged are doing it for themselves

JANINE PERRETT



AGE is certainly no barrier when it comes to being an entrepreneur, which is good news for mature-age workers looking for a sympathetic employer.

Earlier this year we featured the inspiring story of Helen Whitney, who started her Dutiful Daughters business aged in her 60s to lift the level of care for elderly and disabled people. While she has plenty of retired nurses on her books, she is now desperate for carers with language skills, as many of her foreign-born patients lose their command of English as they grow older.

Whitney reports that her home-care business is still booming; three weeks ago it even had a record week.

Before that we had Eddy DeGabriele of Wollongong's Edmen Employment agency doing its bit to help care for the disadvantaged. Eddy made the point that the problem for many mature-age workers is "they are less flexible about adapting to work that is different from what they did before. But once you educate them, they are fine."

Then there was the case study on 60-year-old Allan McCodd, whose problem was to attract an investor for his Uncle Harry's Natraburgers so he could think about retirement. Far from retiring, he now reports he is expanding the range to include party food and has just redesigned his packaging to make it more shelf-friendly for Woolworths. He's now planning to appoint a "board of directors" to offer advice and investment.

But not all the stories of older entrepreneurs have a happy ending. Last year we featured Trevor Moir, who started The Executive Co-ordination Group to help retrained executives and other mature business people re-enter the workforce. He tirelessly pressured politicians to examine the issue and it was Moir who first spotted the advertisement the Federal Government placed in Asian newspapers urging foreign workers under 45 to come to Australia for jobs.

I was told I was not permitted to mention anything that might be discriminatory. Fair enough. I placed an ad saying that 'mature age is no barrier.' KEN COULSON

The recent column revealing that ad prompted many angry letters, including this one from Ken Coulson. "I gave up in Sydney last year. I am now teaching business English in Guangzhou University. Over here, they value maturity and knowledge, unlike Australia, where young and beautiful is the go."

"I never thought that at 63 years of age I would be starting a new career in another country, but it's great."

Ken Coulson (who notes his age is 63) writes from Brisbane of his experience in advertising for an office worker and specifically wanting someone over 50. "However, I was told I was not permitted to mention anything that might be held to be discriminatory," he wrote. "Fair enough, I placed an ad and stated that 'mature age is no barrier'. I started a 'mature-aged lady' who is still with me 11 months later and is an asset to me and my business. What price PC?"

The effect of today's Business Network study, Kathryn MacMillan, is just the latest example of someone who has created her own employment solution that helps others back into the workforce. Nine2Three Employment Solutions has found its niche.

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Work toward traditional marketing vehicles

Paul McKeon
Corporate Communications Manager, Dell 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

Rajashi 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 "door" 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
Head of Business Advisory and Training, Westpac

All businesses should have a business plan. Kathryn should identify her objectives 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, Staff 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 host 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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