

Stylish stamina

Thirteen *Fast 100* regulars have graduated to fast and lasting status. BY JACQUI WALKER

Special accolades must go to the companies that achieve fast growth over the long haul. The companies on the Fast and Lasting honor roll have made the *BRW Fast 100* list for three or more consecutive years, which equates to six or more years of rapid growth. Topping the Fast and Lasting list in 2004 is the home loan broker Mortgage Choice. Founded by Rod and Peter Higgins in Perth in 1992, Mortgage Choice has made the *Fast 100* list for the fifth year in a row with revenue of \$102.5 million in 2003-04. Paul Lahiff, chief executive of Mortgage Choice, attributes the strong and lasting growth to the property boom and the business model. "It's built around a good brand, good people and a franchise model."

In second place are Andrew's Airport Parking and Redarc Electronics, which have both been on the *Fast 100* for four years in succession. Ten companies that have made the *Fast 100* for three years running follow them. They are the mortgage brokers Yes Home Loans and Homeloans, the real estate agency Property Direct, the dot-com crash survivors realestate.com.au and carsales.com.au, the DVD and video distributor Magna Pacific, the home entertainment installation company Cableman, Skelton Travel, Scott Winton Insurance Brokers and the internet software company 3rdmill.

Each of the 13 companies that have made the fast and lasting list has sustained growth through long-term planning, investing in systems and processes, developing strategic relationships with clients and suppliers, and keeping a constant lookout for the next growth opportunity. And they have managed

— even while expanding rapidly — not to let customer service and product quality slip.

Bruce Burton, managing director of the growth strategy design firm Nascentii, says to grow quickly over the long term companies need to manage simultaneously across three time frames: now, five years from now, and after that. With product lifecycles so short, he says, smart companies need to be working on identifying new emerging business that will be viable within three to five years and developing new concepts that could be a new business in six or seven years' time, as well as expanding and defending their core business. "Unless you have the ability to innovate and be entrepreneurial, and find new business strengths, your core businesses run the risk of becoming irrelevant."

Innovation a long-term focus

Greg Roebuck, who founded carsales.com.au in 1998, says he has always kept long-term growth in mind. "We have focused on the fact that we are going to be here for a long time, and if we are, then we need to be coming up with new ways to be innovative and grow revenue." A year ago, Roebuck added classified advertisements for motorbikes to his product offering. He is now planning to add motorboats and caravans.

Roebuck has also used partnerships with others in the motor vehicle industry to expand his market. Carsales.com.au runs the component of the RACV (the Victorian motoring organisation) site that enables visitors to trade cars, and shares a cut of the revenue earned from the site with the organisation. Similar deals with vehicle manufacturers have enabled Roebuck to develop relationships with car dealers, who

are an important source of revenue for carsales.com.au.

Andrew Shanahan is also a long-term planner on the lookout for new markets. He founded Andrew's Airport Parking with 50 spaces in Melbourne's airport suburb of Tullamarine in 1997 and now has 1500 spaces and revenue of \$2.8 million. He is branching out into managing city car parks, with one in Tasmania already under his management, and he plans to open a new car park near Brisbane airport next year. "The business model works well. We have created the infrastructure, built our own software system that works; it's a turnkey solution we can start up elsewhere."

Ron Tatarka, the founder of Scott Winton Insurance Brokers, says the company, which he founded with his wife in their living room in 1992, has grown over the long term because of the strong relationships he has developed with underwriters and clients. Unlike many competitors, he has no salespeople on the road, preferring to keep his staff in the office working in teams on customers' accounts and being available to clients at all times. He relies on word-of-mouth recommendations for new business. He has also added a claims settlement service for shopping centre liability.

For a business to have sustainable growth it must do more than increase sales. Damien Papps, principal at the consulting firm Strategon, says businesses must have tight cashflow controls if they want lasting growth. "What often happens with growth is that the company's sales outstrip resources." He says businesses must monitor cashflow on a daily basis and plan for expenditure. "They might make the sales, but they don't



RON TATARKA: Reliance on word-of-mouth recommendations

FAST AND LASTING

On the *BRW Fast 100* for at least three consecutive years:

FIVE YEARS

Mortgage Choice, Rod and Peter Higgins (ranked 95)

FOUR YEARS

Andrew's Airport Parking, Andrew Shanahan (92)

Redarc Electronics, Anthony Kittel (96)

THREE YEARS

Realestate.com.au, Simon Baker (42)

Carsales.com.au, Greg Roebuck (52)

Magna Pacific, Leon Coningham (62)

Yes Home Loans, Lee Boueri (68)

Cableman, Anthony Elbaum (72)

Skelton Travel, Sandra Skelton (79)

Scott Winton Insurance Brokers,

Ron Tatarka (82)

Property Direct, David Beard (83)

Homeloans, Tim Holmes, Rob Salmon (89)

3rdmill, Divico and Tania Scheidegger (99)

UNLESS YOU HAVE THE ABILITY TO INNOVATE AND ... FIND NEW BUSINESS STRENGTHS, YOUR CORE BUSINESSES RUN THE RISK OF BECOMING IRRELEVANT. BRUCE BURTON

have the wherewithal to buy the stock, and they can't process it and start having problems."

Papps says companies must have systems and people in place to handle the growing demand. "If you have staff and a management team that understands the implications of high growth, they can respond in advance and be pro-active about it. They need to be able to anticipate requirements and respond before it gets to crisis." Nascentii's Burton agrees.

Carsales.com.au's Roebuck says there have been times when he has deliberately slowed growth so the company could keep up. "There were times when the business was losing money every month and we said, 'Gee, we better slow down to make sure we are here for the long term' and have later ramped up again ... We needed to become profitable to be able to continue to grow revenue."

Burton says there are a few ways that businesses stray from the growth path. Sometimes entrepreneurs become risk averse because they have built up equity and value in the business. "So they will start to disengage. They will go out and buy the BMW, they will take loans out of the company. The classic one is they have a high dividend policy. They don't retain anything for growth."

Roebuck says he is not tempted to take money out of his business or take it easy. "I would rather have a good time for a long time than a good time for a short time ... [and] I'd love to see it as a 100-year-old business that some of the other traditional classifieds players have become." ●



RON TATARKA: Reliance on word-of-mouth recommendations

FAST AND LASTING

On the *BRW Fast 100* for at least three consecutive years:

FIVE YEARS

Mortgage Choice, Rod and Peter Higgins (ranked 95)

FOUR YEARS

Andrew's Airport Parking, Andrew Shanahan (92)
Redarc Electronics, Anthony Kittel (96)

THREE YEARS

Realestate.com.au, Simon Baker (42)

Carsales.com.au, Greg Roebuck (52)
Magna Pacific, Leon Coningham (62)

Yes Home Loans, Lee Boueri (68)

Cableman, Anthony Elbaum (72)

Skelton Travel, Sandra Skelton (79)

Scott Winton Insurance Brokers,

Ron Tatarka (82)

Property Direct, David Beard (83)

Homeloans, Tim Holmes, Rob Salmon (89)

3rdmill, Divico and Tania Scheidegger (99)

**UNLESS YOU HAVE
THE ABILITY TO
INNOVATE AND
... FIND NEW
BUSINESS
STRENGTHS, YOUR
CORE BUSINESSES
RUN THE RISK
OF BECOMING
IRRELEVANT.
BRUCE BURTON**

have the wherewithal to buy the stock, and they can't process it and start having problems."

Papps says companies must have systems and people in place to handle the growing demand. "If you have staff and a management team that understands the implications of high growth, they can respond in advance and be pro-active about it. They need to be able to anticipate requirements and respond before it gets to crisis," Nascentii's Burton agrees.

Carsales.com.au's Roebuck says there have been times when he has deliberately slowed growth so the company could keep up. "There were times when the business was losing money every month and we said, 'Gee, we better slow down to make sure we are here for the long term' and have later ramped up again ... We needed to become profitable to be able to continue to grow revenue."

Burton says there are a few ways that businesses stray from the growth path. Sometimes entrepreneurs become risk averse because they have built up equity and value in the business. "So they will start to disengage. They will go out and buy the BMW, they will take loans out of the company. The classic one is they have a high dividend policy. They don't retain anything for growth."

Roebuck says he is not tempted to take money out of his business or take it easy. "I would rather have a good time for a long time than a good time for a short time ... [and] I'd love to see it as a 100-year-old business that some of the other traditional classifieds players have become." ●