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GOOD Enough *Never Is* *lessons from inspirational businesses in rural Australia*

A report for the Rural Industries
Research and Development Corporation
by Peter Kenyon

RIRDC Publication number 04/137

'Once you say you're going to settle for second, that's what
happens to you in life, I find'

——President John F Kennedy



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Good Enough Never Is—Lessons from inspirational businesses in rural Australia

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**GOOD
Enough**

Foreword

This publication had a long gestation period. The idea for it emerged during the preparation of another RIRDC publication, *A Kit for Small Town Renewal* (Kenyon & Black 2001), which captured the stories of 14 small inland towns that had undergone significant revitalisation in the 1990s, reversing their demographic and economic decline. Often central to this renewal was the presence of exceptional local businesses and successful entrepreneurs. It seemed a logical extension of that work to focus attention on these innovative and creative businesses and people and their success factors. Such an exercise would also provide further insights into the interrelationships between the enterprises and their local rural communities.

Identifying and analysing a cross-section of inspirational off-farm business stories across rural and remote Australia proved very time consuming. Hundreds of worthy businesses could have been included. It was extremely difficult to keep to the limit of twenty.

Winston Churchill believed that penning a publication involved five states. At stage one it is just like a novelty or toy, but by stage five it becomes a monster ruling your life, and just when you are about to become reconciled with the tyrant and accepting of your state of servitude you kill the monster and throw it to the public! I am sure that, without the inspiration and teachings of the stories and characters in this publication, and the willingness of so many rural people to so generously offer their time and opinions, for me the monster would have won.

This project was funded from RIRDC Core Funds which are provided by the Australian Government. It is an addition to RIRDC's diverse range of over 1200 research publications and is part of our Human Capital, Communications and Information Services R&D program, which aims to enhance human capital and facilitate innovation in rural industries and communities.

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Simon Hearn

Managing Director

Rural Industries Research and Development Corporation



**GOOD
Enough**

Never Is lessons from inspirational businesses in rural Australia



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1. Introduction

Good Enough Never Is is simply a story book. It highlights that wonderful saying of Muriel Rukester—‘The world is made up of stories, not atoms’. It is stories, not concepts, that have that unique ability to demystify, teach, enthuse and motivate. *Good Enough Never Is* delivers the stories of ordinary rural people who dared to be different and have become out-of-the-ordinary rural entrepreneurs. Rather than being endowed with unique and mysterious qualities, these people have discovered and developed attitudes, behaviours and skills that set them apart from most business operators in rural and remote Australia.

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The importance of regional and rural business enterprises was well summarised in a recent Australian government-instigated report, *Regional Business: a plan for action*:

Regional Australia has made and continues to make a major contribution to our national economy and

to our way of life, indeed to our culture and our identity as a nation. Regional businesses contribute half of our national export income and regional Australians have a fine track record as innovators. Our future prosperity and social well being as a nation depend to a significant degree on creating the right environment for thriving and dynamic regional business ... Regional Australia can only survive on the back of strong, growing businesses that create strong, vibrant communities. It has been highlighted to us that regional small and medium businesses are the wealth creators and job providers for regional Australia. More than half a million businesses operate in regional Australia, and in many respects they are the backbone of their communities. (Department of Transport and Regional Services 2003, pp. iii–iv)

Good Enough Never Is is simply about rural business success—why it appears so easy for some yet so elusive for so many others. What makes this difference? The publication is intended for three main groups, the first being people who have already chosen to operate an enterprise in rural and remote Australia or are contemplating doing so. There is no doubt that self-employment is one of the hardest careers to pursue. At present there are 1.25 million small businesses in Australia, and the number is growing (*National Business Bulletin*, August 2003, p. 61). But the failure rate is very high, and few such businesses translate into third or fourth generations, especially in rural and remote Australia. There must be principles and practices that can increase the chances of success, and surely the best place to identify these is among those entrepreneurs who, despite what is often perceived as a locational disadvantage, have achieved national, even international, repute for their business success.

The second group of intended readers consists of rural leaders and community builders who are keen to learn more about the dynamics of local economic development and the vital contribution made by the local business community. Between 60 and 80 per

cent of all new jobs in any community do not come from new business creation: they come from existing businesses 'doing better and expanding'. Similarly, it is existing businesses that are usually responsible for over 70 per cent of new investment in a region. It is essential that community builders and leaders understand 'what gets the tills ringing' and become supportive of community policies and strategies that encourage and reward positive business behaviours and attitudes.

Finally, this publication is aimed at young men and women in rural and remote areas of Australia. The future of rural and remote communities hinges on their young people creating business and social opportunities for themselves and others, beyond traditional primary industry pursuits. This publication is a resource for such educational initiatives as C.R.E.A.T.E.—Creating Rural Entrepreneurial Attitudes through Education—which seeks to encourage young rural people to consider the self-employment option; maybe in many rural and remote communities it is the only viable way of achieving a satisfactory and stable income that enables these people to stay in or return to their home community. A number of case studies highlight the achievements of young people who have chosen to create and develop their own business enterprise.

The stories told here are quite diverse and cover a wide range of industry sectors—retail, manufacturing, hospitality, tourism, value-adding and service provision. The enterprises are found in every state and the Northern Territory. Although most of them operate within traditional business structures (for example, as companies, sole traders or partnerships), there are six community-owned and -operated enterprises, where the local community has not only achieved substantial financial returns but also created enormous social benefits.

As noted, choosing which businesses to include was very difficult. The following selection criteria were used in an effort to choose the 20 'best of the best':

- demonstrable business success in terms of turnover, sustainability and job creation
- a positive impact on the local community in terms of economic contribution, job creation, job diversity and role modelling
- a story worth telling—a story with a definite sense of inspiration and with important lessons relating to its origins, challenges, achievements, core values, practices and tools

- being admired by others—within the industry sector and the local community
- a diversity of locations and industry sectors.

I hope this interesting range of case studies and their lessons will encourage other rural dwellers to believe that it is both possible and necessary to create successful and exciting businesses in rural and remote areas. The fundamental message is that the motivation and success of the enterprises described here can be emulated by others in rural and remote Australia.

2. The ten common themes

The title of this publication, *Good Enough Never Is*, encapsulates the underlying themes of the stories shared. Each of the 20 enterprises selected is a product of opportunism, belief, daring, experimentation, trial and error, and a preoccupation with quality. Each in its own way has evolved through a desire to create and exploit a special market opportunity and is committed to a continuing search for growth and improvement. There is nothing ordinary about any of these 20 enterprises. They never contemplate doing just 'well enough'. Instead, the question is always, How can we today do better than we did yesterday?

Each story highlights the perceived 'keys to success', which reflect the personality of the entrepreneurs(s), their industry sector, their operating environment, and their unique comparative advantages. Ten common themes emerged from the study, however, and these are worth highlighting.

Common themes

- Passion and persistence
- Core values, idealism and vision
- Community connectedness, ownership and involvement
- Quality customer service
- Idea obsession, innovation and continuous improvement
- Leadership and skilled management principles and practices
- Staff pride, enthusiasm and involvement
- Product differentiation and quality
- Collaboration, networking and strategic partnerships
- Innovative marketing

Passion and persistence

Personal passion and persistence was the dominant theme. There was universal agreement that these attributes were essential. There was acceptance of the Chinese proverb 'A man without a smiling face should not open a shop!'

Tom O'Toole, the Beechworth Baker, captures this spirit well with his comment, 'Passion. If your heart's not in it, get out. The sky's the limit if your heart's in it. You've got to have enthusiasm. If you haven't got enthusiasm, you're bugged!'

Numerous business operators rephrased famous stories and quotes from history to illustrate the need for high levels of continuous persistence. For example:

- It took Thomas Edison over 800 attempts before he got his light bulb to work.
- I am a great believer in luck. The harder I work, the luckier I get. (after Thomas Jefferson)

Stefano de Pieri, from Stefano's Restaurant in Mildura, is a very passionate person and has no doubt about the centrality of passion in business and life: 'If you are passionate about something, it can indeed become a reality. And if it doesn't, well you can have a great time trying'.

For many in our study the early days in business were a challenging and daunting experience, but not one of our entrepreneurs questioned the potential reality of their vision. Billy Willis, of Tasmanian Trash Transformers, summarises these feelings of belief and expectation:

I guess we were pioneers. We believed in what we were doing and had heaps of vision. We were passionate about the idea. Looking back, it was a daunting journey ... We only imagined the project as being successful ... On our first day we took \$7, and a grand total of \$27 for the week. On more than one occasion we thought we would have to close as we were simply not generating an income to cover costs, let alone earn a wage and implement the overall plan. However, we learnt from the failures and kept focused on our goals, rather than getting caught up in the drama of making mistakes.

In terms of persistence, the story of Harry Nanya Outback Tours in Wentworth is inspirational. Over 10 years this wholly Indigenous-owned effort has refused to give in to the critics and to often blatant racist opposition. Just like the person the company is named after, Harry Nanya, those involved hold

the dream of economic independence for their community, as well as demonstrating the qualities of Harry's legendary life, standing up for what they believe in and never giving in. They are very *nanya* in attitude—Barkindji for stubborn!

Among the attitudes the entrepreneurs see as important are 'boldness', 'risk taking', 'determination' and 'willingness to embrace change'.

Core values, idealism and visions

A second theme that was highlighted was the importance of core values, idealism and vision. All the businesses studied seek to maximise their profits but most exist for purposes beyond just making money.

It is important for businesses to be able to articulate, 'This is who we are; these are our core guiding values; this is what we stand for; and this is what our business is all about'. Nick Comino, alias Elvis Parsley, sincerely believes his Grapeland and Elvis impersonations are more than an effective marketing tool. He sees his shop as '... life giving. It promotes life. I combine Elvis's music with a philosophy of giving peace and happiness and sending a message of love to my customers and audiences. That is why I call myself the spiritual Elvis'.

The chief executive of Fairbridge Western Australia Inc., Mark Anderson, is very clear that 'living the vision, idealism and higher purpose' are essential elements in the business's success: 'Having a vision based on a "higher principle" than just increasing the bottom line provides the impetus to keep you going when things get tough and you cannot see any way forward'.

The community-owned businesses in the study were very conscious of past failed community and cooperative enterprises that lost their original vision of achieving balance in terms of their responsibility to their community, customers and employees and making a profit. Today's successful businesses understand the importance of distinguishing between core and non-core values, between what is open to change and evolution and what is constant, and between what is truly sacred and what is not.

Community connectedness, ownership and involvement

The third theme to emerge relates to community connectedness, ownership and involvement. The relationship with the local community is a vital aspect of all the businesses studied and is reflected in a variety of ways. For the six community-owned organisations, it was the motivating force in creating the venture. The level of 'community ownership' is fundamental: Yeoval Community Hospital, the Goondiwindi Co-operative Society and Maleny and District Community Credit Union express the importance of this aspect as both 'a factor of success' and 'an indicator' that they need to monitor constantly.

For the operators of the Hyden Tourism Development Company, 'belief in one's community and its destiny' is the basic motivation, the core operating principle, and a major reason for the business's success; all shareholders are very conscious of the faith their parents had in Hyden when they settled in the district in the early 1920s, and they are motivated by a desire to ensure that that faith is a continuing reality.

Eddie Billing, chairman of the Goondiwindi Co-operative Society, regularly reminds his community and staff of the importance and purpose of the cooperative business:

We should never lose sight that this is a local business, employing local people, which exists simply for the good of this community. Every cent we make goes back into the community, by way of wages, donations and rebates to our members. It isn't hard to understand the wisdom of shopping locally.

Most businesses in the study saw interaction with the immediate community as an essential function and a relationship that needed to be nurtured. The passion that people such as Stefano de Pieri (Stefano's Restaurant), Mark Evans (Paronella Park), Nick Comino (Elvis Parsley's Grapeland), Kelvin Clarke (Kooka's Country Cookies), Jane Fargher (The Prairie), Russel Mouritz (Hyden Business Development Company), Tom and Christine O'Toole (Beechworth Bakery), Wayne Kraft (Overlanders Steakhouse), Billy Willis and Sonia Chirgwin (Tasmanian Trash Transformers), and Neil Druce (Green Grove Organics) have for their rural community and region is very infectious. Nick Comino's belief and confidence in his town of Woodford is typical: 'I want people to come to Grapeland, to laugh, sing, dance and experience what

I love about this town. Until you see and experience this community, you are certainly missing one of life's great adventures'.

It is not surprising that these quality businesses are often located in enterprising, vigorous communities. Many of the communities have a 'can-do' spirit, value a strong and vibrant business sector, and are winners of numerous state and national awards. In fact, two of them, Deloraine and Virginia, are past recipients of the Australian Community of the Year award.

Sonia Chirgwin and Billy Willis, from Tasmanian Trash Transformers, believe that it was the initial and ongoing support of their local community, Deloraine, and its elected member that allowed their business to become a reality and to achieve financial and employment success. As Billy says,

The community support for the business is based on goodwill, which is generated by our commitment to excellent customer service and our business charter. Without the support of the community and key people in it, this project would have remained just another dream. Engaging the community is absolutely vital for this type of enterprise.

Quality customer service

Quality customer service is another success factor stressed by all the businesses studied. The people involved understand a simple truth: 'The purpose of a business is to find and keep customers'. Businesses such as the Beechworth Bakery, Jah Roc Mill Gallery and Overlanders Steakhouse have produced documents to remind staff of this and the paramount attention the business gives to its customers. Most of the businesses have developed customer feedback mechanisms, realising the importance of customers' opinions and ideas.

Neil Druce, of Green Grove Organics, reminds us of a basic tenet: 'If you upset a customer, they will tell seven people. If you make someone happy, they will tell two people'. Tom O'Toole, from Beechworth Bakery, believes it is not about product but about customer service: 'My bread is probably no better than the rest, but our service vision lifts us right out of the crowd'. Quality customer service consists not only in practising exceptional standards of interaction with the customer but also in actually achieving service levels that can only be labelled 'outrageous customer service', as Tom O'Toole puts it. The following are examples:

- over-compensating customers for poor products

- mechanisms for regular customer feedback
- customer reward programs
- old-fashioned service in such areas as opening hours and home deliveries
- community giving initiatives in terms of donation of time and produce.

According to Paul McGrath, manager of the Virginia and Districts Community Bank, the bank's success is largely due to its old-fashioned banking approach, 'taking banking back 10 years'. For Mark Evans at Paronella Park, 'Everything we do is targeting that customer service'. The business goes to extraordinary lengths to provide the ultimate experience and is even prepared to offer a guarantee to all its international visitors: 'If Paronella Park is not the surprise of everything that you have seen and done in Australia, we will refund your admission charge in full. No questions asked'. Service to customers transcends all else; there is no limit to looking after customers and their needs.

Idea obsession, innovation and continuous improvement

Theme five to permeate the stories is that of idea obsession, innovation and continuous improvement. Each of the entrepreneurs studied shares a belief that the business is a continuous journey of development, innovation, improvement and idea generation. Each personifies the inquiring and enterprising attitude required for continuous success. They are modern day Isaac Newtons: millions watched the apple fall to the ground, but only Newton wanted to know why it did. The desire to be smarter and more productive was encapsulated by David Paris of Jah Roc: 'We are always asking ourselves, "How can we improve it, how can we do it better?"'

The importance of 'staying ahead' is constantly at the forefront for successful businesses, and as a result the businesses are characterised by idea obsession and generation. Gavin Grey of Kooka's Country Cookies commented, 'If you're always thinking, questioning and learning, chances are you'll have a light-bulb moment that could put another million dollars on the bottom line'. Kooka's Country Cookies holds regular pizza fests, where there is a 'gloves-off' exchange of ideas. Only two rules apply: 'Have fun' and 'Absolutely no one can criticise or reject an idea'.

Despite operating a bakery with the largest retail turnover in the Southern Hemisphere, Tom and Christine O'Toole of the Beechworth Bakery are

constantly seeking new ways of improving the business's productivity and profitability. They read about other personal and business achievements; generate over 400 customer-reaction sheets a month through suggestion boxes; attend national and international bakery conventions; and facilitate a 'bakery think tank' consisting of 10 Australian and New Zealand bakers keen to improve their business performance. As Tom says, 'I really believe that the more we learn, the more we earn. I travel beyond my backyard, to Germany, to see what sorts of things they do over there. All the time I'm listening to tapes and reading books, trying to learn about business'.

Leadership and skilled management principles and practices

Leadership and skilled management principles and practices constitute a sixth theme. Wayne Kraft, proprietor of the Overlanders Steakhouse in Alice Springs, has a catchy expression: 'Leaders must lead, and managers must manage'. He believes that introduction of the GST in Australia forced businesses to develop effective management systems. His '10 (Plus 9) Kommandments', his weekly staff meetings, and his training programs and manuals are practical expressions of his approach to management. His hands-on management and leadership have resulted in an extremely effective staff team who are targeted and recruited by other employers in the hospitality industry across the country.

Numerous stories in this publication emphasise the importance of knowing when to seek outside expertise. Seahorse World is a good example of an enterprise that has regularly used expertise in aquaculture, business and tourism development. Another example is Jah Roc: when management realised they were experiencing a plateau in their business growth and needed outside input, they recruited a business coach who taught them how to manage and plan more effectively.

Kooka's Country Cookies demonstrates the importance of realising when a business has reached a boundary and needs external expertise. That case study provides three examples of when help was needed and discusses board member Graham Harris's excellent set of guidelines for effective use of consultants.

One aspect of leadership that is well illustrated in several of the stories is partnership. Staff at Paronella Park, Tasmanian Trash Transformers and Jah Roc all commented on the equality of the relationship

between the owners—in particular, the way they complement each other's skills. Judy Evans of Paronella put it this way: 'We bring different skills to the park. Mark is the "mouth", marketing and selling the place. I have the economic, accounting and computer skills'. Commenting on Jah Roc, Nathan states, 'Bennett and Paris seem to have the perfect business, with Paris playing "ying" to Bennett's "yang"' (1996, p. 4). Billy Willis from Tasmanian Trash Transformers says,

Sonia and I are an amazing team and complement each other's skills. Sonia is a great communicator and fantastic at managing people. I am a bit of a planning freak and love to innovate and design systems and geographical spaces. Both of us have developed quite good business skills and our problem-solving skills are well developed through many late nights of discussion and around the warmth of a fire.

All the partnership businesses would agree that a major element of their success is their personal commitment to each other and the sharing of a common dream.

Staff pride, enthusiasm and involvement

Staff pride, enthusiasm and involvement represent a consistent theme throughout the case studies. Tom O'Toole of the Beechworth Bakery frankly admits,

My staff are the key to our success. I am just one of 74—and the most useless one, so they tell me ... My business is about people. We so often think it is about product. If my place burnt down tomorrow, and as long as my staff were not cooked, I could be operating down the road within hours.

The Beechworth Bakery has an impressive set of initiatives designed to excite, involve and motivate the staff. Similarly, Jah Roc is passionately committed to staff development and motivation. Considerable attention is given to staff training and communications, and keeping staff fully informed through regular weekly meetings is a critical element of the operation.

Neil Druce, manager of Green Grove Organics, has a simple explanation for his business's achievement: 'Success and staff can't be separated. Eighty per cent of the success of Green Grove Organics is due to our staff'. The enterprise focuses on meeting the needs and aspirations of the staff and has developed a fun, supportive environment that fosters long-term

commitment. The result is that staff are proud of the business, have a strong sense of collective ownership, and are determined to ensure the business is an outstanding success. As one staff member stated, 'Neil has an organic dream. We're the team and we're gonna help him get there'.

A similar spirit exists at Jane Fargher's Prairie Hotel in Parachilna. One staff member put it this way: 'This is a family. You don't work for Jane; you work with her. She encourages staff input into the business. Staff are proud to work for her'. For Jane, personality is a more important staff selection criterion than experience.

The success of community-owned enterprises is primarily due to staff commitment, passion and morale. The Yeoval Community Hospital Co-Operative, Fairbridge Western Australia and Woolmers Estate are classic examples. The enterprises' managers capture well the loyalty and enthusiasm of their staff:

- Yeoval is a success story based on the focus and commitment of a community in a regional/rural cooperative to salvage, retain and develop their health care services. There is a demonstrated entrepreneurial spirit, and the staff, residents and families have a clear sense of ownership.
- Don't just employ staff with the skills you need. Employ staff who are in line with the vision and value of your organisation and who get enthused with what you are trying to create, the higher purpose ...
- It's the passion of the people involved that makes this operation function. People are genuinely excited about its potential and want to make it happen.

The case studies are rich with strategies for creating and maintaining staff pride, enthusiasm and involvement. They provide wonderful practical illustrations of the words of Billy Willis, from Tasmanian Trash Transformers: 'If I had to mention just one factor out of the many for the success of any business, it must be the ability to identify, secure and harness people's skills and experiences for the benefit of the enterprise and its goals'.

Product differentiation and quality

All the stories reflect the characteristic of product differentiation and quality. Harry Nanya Outback Tours is built on a unique product—the opportunity to experience Mungo National Park, which contains the largest continuous record of Aboriginal life

in Australia, through the eyes and words of the traditional caretakers of the area.

Garry Bennett and David Paris of Jah Roc quickly discovered that the furniture industry was extremely competitive and that they would never succeed by producing 'mainstream' furniture. They opted for a unique niche (believing that 'people who buy our furniture are buying a lifestyle'), use magnificent recycled timbers, and operate from a prominent heritage building in a popular historic town. The combination has been powerful.

Jane Fargher believes the attributes of 'style, innovation and decadence' have always been the priority for the Prairie Hotel. She shares her welcome note to guests in her story, typical of the Prairie's approach to creating that sense of excitement and expectation about a unique product.

Georgina Wylde, general manager of Seahorse World, encapsulates the appeal of her business's product: 'Nowhere in the world can you see what you see here. Watching visitors interact with various elements of the Centre, there is a strong wow factor being experienced'. The charm of the seahorse creature, the status of being the first seahorse farm in the world, the location on Inspection Wharf at Beauty Point, and the guided tour with enthusiastic young staff members all combine to be extremely attractive for visitors.

For Mark Evans, it is simply 'the story' of Paronella that enthralls customers. No other place in Australia can provide the Paronella Park experience and the opportunity to relive the dream of José Paronella and his Spanish castle through the positive and passionate young guides.

Collaboration, networking and strategic partnerships

The ninth theme that emerges from the stories is about collaboration, networking and strategic partnerships. Mark Evans of Paronella Park refers to surrounding your business with "true believers"—people who believe in our dream, where we are heading and want to share it'. They are not just staff but also such people as bank managers, your accountant, the electrician, the local council, parliamentarians and media people. Paronella Park has a range of interesting strategies to build this network of 'true believers'.

Harry Nanya Outback Tours knows the importance of 'partnership alliances' with other regional businesses. Fairbridge Western Australia referred to the need to garner the support of 'like-minded individuals and organisations'—those people and groups who share the vision and values, have an emotional attachment, or have a complementary dream. Fairbridge highlights the importance of continuing positive partnerships with the corporate sector, all levels of government, and like-minded community organisations.

The Beechworth Bakery has a philosophy of 'networking and cross-promoting with other local businesses'. Its story is very much about a deep commitment to the collective business health of Beechworth and north-eastern Victoria, and it provides numerous illustrations of the philosophy in action.

The Virginia and Districts Community Bank returned full banking services to the community of Virginia through its partnership with Bendigo Bank in Victoria. This partnership is now being replicated by over 120 communities throughout Australia, and an additional 1000 communities are in dialogue with Bendigo Bank about taking up the option. Once a community can demonstrate its commitment to the concept of community banking, Bendigo Bank is able to provide a functional model, technical expertise, and the security to make it happen. The Virginia story is about the first community in South Australia that was willing and able to embrace this approach.

Innovative marketing

There is a tenth theme that characterises each of the stories—innovative marketing. Tom O'Toole of the Beechworth Bakery refers to it as 'banishing the bland and daring to be different in marketing. In every town and business, there has to be the wow factor. Wow is the answer'.

According to Nick Comino, alias Elvis Parsley from Grapeland, customers and tourists are not interested in just a product: they want a retail experience. His music, presentation and humour provide both the attraction and the experience:

If you want to survive in a town of 2000, only half an hour from a major regional shopping centre, you need to be bold and creative. Small business is getting harder; it's a struggle. Only those who are prepared to think outside the box can survive in our business sector.

The Jah Roc story provides an insight into a creative furniture business that has for 15 years marketed its product through galleries, furniture shows and the media. The business's media exposure and determination to use every opportunity to promote itself are second to none. In particular, its success in entering business awards—it recently won its 32nd award since 1985—has been an important factor for continued success.

Kelvin Clarke of Kooka's Country Cookies is adamant that 'you don't need a trunk of money to launch ... and promote a product'. The Country Cookies story is full of practical illustrations of this philosophy.

Finally, the conviction and practices of Wayne Kraft, owner of the Overlanders Steakhouse, are legendary in terms of innovative marketing. He reminds us, 'It does take time, money and, above all, patience to develop goodwill and open doors'. He has an impressive range of marketing and customer-focused initiatives to ensure return visits.

3. International and national review

In the past two decades much has been written about the success factors associated with business creation and expansion. (The bibliography at the end of this publication provides an indication of the extensive range of literature on the subject.) This chapter summarises the main conclusions from a selection of the literature, both international and national. The conclusions come within four broad and interrelated categories:

- general business success
- rural and regional business success
- community enterprise success
- business success among young people.

A considerable number of studies have focused on general business success, but the three other categories listed proved more difficult to examine.

General business success

As might be expected, there is a plethora of publications emanating from the United States relating to the characteristics, habits, attitudes and behaviours of successful business enterprises. The following three publications are worthy of particular attention:

- *Five Myths About Entrepreneurs—understanding how businesses start and grow* (National Commission on Entrepreneurship 2001)
- *Built to Last—successful habits of visionary companies* (Collins & Porras 2000)
- *In Search of Excellence—lessons from America's best-run companies* (Peters & Waterman 1982).

The National Commission on Entrepreneurship was established in the United States to provide local, state and national leadership in sustaining and expanding a flourishing entrepreneurial economy. During 2000–01 the commission held a nationwide series of focus groups with entrepreneurs associated with growth companies. Its subsequent report highlights five myths about entrepreneurs:

- *The risk-taking myth.* The study showed that most entrepreneurs were not wild risk takers in the gambling sense. They were able to assess and manage risk.
- *The high-tech invention myth.* Having a breakthrough invention, a unique product or a radically new process was not a necessary element at the beginning for most successful companies.
- *The expert myth.* While many entrepreneurs are intelligent, what makes their businesses successful is their responsive and adaptive manner and their ability to assemble a team with the necessary competencies.

- *The strategic vision myth.* 'The process of starting a new business is like jumping from rock to rock up a stream, rather than constructing the Golden Gate Bridge from a detailed blueprint.'
- *The venture capital myth.* Venture capital was not as important to growth companies as the three Fs—family, friends and fools (that is, credit card companies and suppliers). (National Commission on Entrepreneurship 2001a, pp. 9–18)

Collins and Porras sought to discover 'the timeless management principles that have consistently distinguished outstanding companies' (2000, p. xxii). Theirs is a study of visionary companies: 'premier institutions—the crown jewels in their industries, widely admired by their peers and having a long track record of making a significant impact on the world around them' (p. 1). They looked at 18 such companies, among them General Electric, Disney, Hewlett-Packard, 3M and Wal-Mart, and compared each with one of its closest, but less successful, competitors in order to identify just what has given the 'visionary' company the edge over its rivals. They gathered information for the 18 businesses plus their 18 competitor businesses over an average lifespan of 90-plus years:

We looked for repeating patterns and sought to identify underlying trends and forces, we aimed to identify those concepts that would explain the historical trajectory of the visionary companies and would provide practical guidance to management building their companies for the twenty-first century. (p. 18)

Collins and Porras put the lie to two great myths about business success—needing 'a great idea' and 'a charismatic leader'. More important as a factor in their study was persistence in overcoming obstacles, attracting and retaining people dedicated to a visionary organisation, and commitment to core ideology. They consider their research has identified some timeless fundamentals, including, 'The essence

of greatness lies not in cost cutting, restructuring and the pure profit motive. It lies in people's dedication to building companies around a sense of purpose—core values that infuse work with meaning, beyond just making money' (p. 242). This is the 'what we stand for and why we exist' factor. Collins and Porras found that businesses that enjoyed enduring success had core values and a core purpose that remained fixed while their business strategies continuously adapted to the changing world. In addition, their research reinforced the importance of the following:

- experimentation, trial and error, and seizing opportunities
- no 'we have arrived' attitude—instead, a commitment to continuous improvement and renewal
- persistence—'Be prepared to kill, revive or evolve an idea, but never give up on the company'
- an entrepreneurial and creative working culture
- big, hairy audacious goals
- 'Try lots of stuff and keep what works'
- attracting dedicated staff.

Peters and Waterman's *In Search of Excellence—lessons from America's best-run companies* (1984) is still viewed, after 20 years, as one of the classic research publications on understanding business success. The study was based on a sample of 62 US companies across a wide field of enterprise—high technology, consumer goods, general industrial goods, service provision, project management, and resource-based businesses. Eight attitudes emerged to characterise the most successful and innovative businesses:

- 'a bias for action'—getting on with it
- 'close to the customer'—learning from the people they serve
- 'autonomy and entrepreneurship'—fostering many leaders and innovators through the organisation
- 'productivity through people'—treating the rank and file as the root source of quality and productivity gain
- 'hands-on, value driven'—creating and instilling a value system and the way leadership sustains excitement about these beliefs
- 'stick to the knitting'—staying reasonably close to known business
- 'simple form ... lean team'—maintaining simple, flat staff structures with small top levels

- 'simultaneous loose-tight properties'—focusing tightly on core values but extending autonomy of action throughout the organisation.

In Australia there has also been a host of studies examining success factors for business enterprises. Three recent publications—McFarlane (2002), Meltzer (2001) and Gottliebsen (2003)—provide a useful summary of the factors.

McFarlane's classic, *100 Not Out—lessons in business survival from Australian invincibles*, is a fascinating analysis of 21 business enterprises that have experienced over 100 years of operation in Australia. It is a study in business longevity, and it includes concise histories and an analysis of a selection of Australian business success icons, among them a number of companies with strong historic and contemporary links with rural Australia—for example, Akubra, Rodgers Brothers, *The Buloke Times*, Craigmoor Winery and Bell Trees.

The secrets to 'building a company that lasts' in *100 Not Out* reinforce the conclusion of Collins and Porras (2000)—build a visionary organisation, rather than 'relying on a brilliant invention or the strong leadership of an innovative founder' (McFarlane 2002, p. 44). For McFarlane, 'the recurring themes in the case studies are high ethical standards, concern for all employees, loyalty to suppliers, the long-term commitment of employees, and top quality customer service' (p. 64). McFarlane's group of companies are not moving into their third and fourth generations because of luck: they are doing so because each successive management generation has upheld the core values, or themes, discussed in Chapter 2.

Gloria Meltzer is the author of two publications dealing with Australian entrepreneurs who have successfully developed small businesses. Her *Minding Their Own Business* (2001) takes a 'behind the scenes' look at 18 interesting case studies covering a wide range of business sectors. Meltzer felt that there was a dearth of studies

relating real-life experiences of the day to day business world that recorded the nitty gritty of business ups and downs—the positives and the negatives, the pitfalls, the teething problems, how and why their business grew, expanded overseas, obtained bank loans, and fitted into their personal and social lives. I was curious about partnership problems, staff issues, handling stress, and how both men and women met the challenges of becoming successful. (2003, pp. viii–ix).

Of particular interest to Meltzer was the importance of education and qualifications in determining success. Surprisingly, only seven of her 18 entrepreneurs had finished their schooling; only one had an MBA. According to Meltzer, the following were the more important common factors:

- determination to succeed
- prepared to work sixty, eighty, one hundred hours a week
- undeterred by continual problems or setbacks
- passionate about their product/their business
- total belief in their product
- persistence
- a supportive life partner
- good business partners
- partners with expertise
- highly motivated
- focused
- committed
- good people skills
- good communications
- good listening skills
- good financial advisors. (2001, p. ix)

Meltzer's inspiring set of case studies highlights two vital ingredients:

- Success or failure is very dependent on the person (or people) behind the business—'his/her personality, attitude, nature, philosophy, formative years, particular life experiences, own personal life journey or story' (2000, p. x).
- Less formal and more personal styles of management that encourage staff initiative, ownership and development are important. Many of Meltzer's case studies highlight formulas for 'forging more fruitful employee/ employer relationships' (2000, p. xii).

Besides studies and publications that feature specific businesses, there is a range of publications and reports that provide insights into the personalities behind some of Australia's business icon success stories. First are the many autobiographies, among them those of Reg Ansett, Tom O'Toole, Dick Smith and Barry Bull. Full of personal anecdotes, these publications speak of the importance of persistence, innovative marketing and customer focus, and the subjects' personal definitions of success. Second, there are numerous publications dealing with some of Australia's most interesting successful entrepreneurs: *Inside Story* (MacDowell 2001) and *10 Best and*

101 Worst Decisions of Australian CEOs, 1992–2002 (Gottliebsen 2003) are examples.

Third, the factors leading to the success of female entrepreneurs have occupied many Australian business researchers for a long time: *Tall Poppies* (Mitchell 1984), *There's a Lipstick in my Briefcase* (Kaplan 1989), *Making It Happen* (Walsh-Martin 1998), *Women Who Win* (White 2002) and *Minding Her Own Business* (Meltzer 2003) are examples here. Mitchell's observation in 1984 continues to ring true throughout the studies: 'Nothing can take the place of persistence, determination—and a sense of your own worth' (p. xi).

In her second publication Meltzer (2003) explores the secrets of female business success. She discovered through her research and 13 case studies that successful women claimed innate positives to the business process: 'They made salient points about the uniqueness of a "female" approach to business and the myriad of ways their qualities as women can act as a plus to being successful. They see being a woman as a business asset, a secret of their success' (p. x). In summary, Meltzer believes that women in general have the following advantages over men in business:

- support networks for one another—formal and informal
- holistic approaches rather than tunnel vision
- the ability to think differently
- the ability to wear 'six hats at once', without becoming combative
- speaking a different language
- seeing the bigger picture without losing the finer details.

Rural and regional business success

National and international research related to business success and growth has largely been urban in focus. There is, however, a growing body of research designed to gain a better understanding of rural entrepreneurship.

Overseas, the work of the Center for Rural Entrepreneurship is unique, it being 'the focal point for efforts to stimulate and support private and public entrepreneurship development in communities throughout rural America'. The center considers that its case study research highlights the importance of motivation and capacity as building blocks in entrepreneurial success. Its research demonstrates that a person may not be competent in both aspects to start an enterprise but long-term success does

require 'dual competency'. The researchers say that entrepreneurs need to be 'creative, innovative, perceive opportunities, risk tolerant, smart, flexible, resourceful, independent, dynamic and growth orientated' (2003b, p. 3). In addition, they say, two other capacity attributes are vital—the willingness and ability to network and partner.

Here in Australia, Tim Fischer, former Deputy Prime Minister and leader of the National Party, has contributed, with collaborator Peter Rees, a very useful collection of studies about enterprising individuals, businesses and communities in rural and remote Australia. *Tim Fischer's Outback Heroes and Communities that Count* (2002) tells the stories of 10 inspiring businesses and the personalities behind them:

... women and men who are making their mark at a time of great challenge in Australia. They are people who have been—and still are—prepared to take a risk, who create an opportunity by thinking laterally and flouting conventional wisdom. They are entrepreneurs, positive people who are often less constrained by society's expectations ... they also have a wider vision. Invariably they are people who have a strong sense of community and understand the importance of giving something back. An unshakeable faith in not just their region, but Australia as a nation flows from this. (pp. 3–4).

A landmark initiative by the Australian Government in 2002 saw the establishment of the Business Development Analysis Panel charged with researching and analysing the impediments to and opportunities for regional business growth. The panel's report, *Regional Business—a plan for action* (2003) advocates action in four main areas: attracting investment and gaining access to finance; dealing with government policies and programs; recruiting and retaining skilled people; and establishing and maintaining adequate infrastructure. The action plan was based on 10 months of research, visits to 50 regional centres, extensive commissioned research, and 197 submissions. It proposed 10 groups of actions that the panel believed 'would drive regional business growth ... supporting them to overcome the problems of distance, isolation and the negative image of rural Australia' (p. 10). Four groups of actions form the core of the proposed framework:

- creation of a small business financing program
- establishment of a heads-of-government taskforce to devise simple regional structures to help all levels of government and business work effectively in partnership

- establishment of an independent national advisory group to advise on priorities for infrastructure development
- development of a regional infrastructure bond market.

The action plan also advocates a range of other supporting initiatives, among them specialist regional business support services, promotion of the positive features of regional Australia (especially investment opportunities and lifestyle advantages), angel investment programs, changes to the regulatory framework, development of a solid management skills base, review of the Zonal Tax Rebate Scheme, better marketing of business migration schemes, regionally based incentive payments over and above the existing First Home Owners Scheme, and leadership development initiatives.

Surprisingly, the action plan touches little on enhancing the perceived factors of success identified by the entrepreneurs studied. Besides some mention of underdeveloped business skills, the focus is on 'top-down' initiatives to change the environment, rather than on fostering those essential characteristics of rural entrepreneurial spirit and behaviour found to be common in the study reported here.

Ernesto Sirolli and his Sirolli Institute have developed an international reputation for their model of enterprise facilitation, especially in rural communities. The model evolved from Sirolli's work in rural Western Australia, especially with the community of Esperance. Described in his publication, *Ripples in the Zambesi: passion, unpredictability and economic development* (1995), the model is today being implemented across the globe.

A central element of the model is the belief that for an enterprise to be sustainably successful there must be passion and competence in three core areas—production, business and marketing. Sirolli argues that it is rare to find all three competencies in one person, so a business needs to evolve as a 'team sport', with entrepreneurial teams that have passion and competence covering all three areas.

What contributes to the success of new on-farm rural enterprises has been the subject of intense investigation in Australia during the last decade. Among others, Cahill (1993, 1995), Wood et al. (1994), Gifford et al. (1998), Hyde (1998, 2000), Key (1998) and McKinna (1998) have provided insights into this area. Keith Hyde, from the Rural Industries Research and Development Corporation, has a long

history of contributing to this field of research. His *The New Rural Industries—a handbook for farmers and investors* emphasises the importance of a champion, ‘a key person in any new business or industry ... who either directly or indirectly provides the vision, the drive, the energy, the ideas, the commitment and the plan to turn the vision into reality’ (1998, p. 4). Hyde describes the key skills for the new enterprise champion thus:

- the ability to spot an opportunity and the motivation to act to realise opportunities;
- they are competitive and either profit or achievement driven;
- they are willing to take risks, but they are usually calculated risks for which they have risk management strategies ...;
- they are effective planners and managers of the resources available to them ... also very good at contingency management and managing problems if some resources are not available as originally planned; and
- are very committed, they have plenty of stamina and are prepared to put in the hard work to ensure the venture is a success. (p. 5).

In addition to the champion, Hyde identifies the following as success factors for developing new rural industries: a market focus; location, location, location, (climate, soil type, topography, water access); transferable technologies; financial management; style of management; style of operation; and the role of government. His latest research publication, *Thirty Australian Champions: shaping the future for rural Australia* (2000), documents the experience of 30 rural Australians who were nominated by their peers as having made a considerable contribution to the development of a new rural enterprise and its associated industry. Through an interview methodology, Hyde asked each of the 30 champions to:

... recall the sequence of events which led to the successful development of their business, the critical challenges they faced and how they were overcome, their important sources of information and the key messages they would want to pass on to others studying or considering entering a new rural business. (p. 16).

He concluded that the interviews confirm the basic criteria for success that have been identified in the research and literature of the past decade:

- their choice of industry and location;

- their adoption of value-adding strategies and research; and
- their focus on marketing and financial management within their business practice. (p. 16)

Two important retail developments that have occurred internationally are Wal-Mart in the United States and The Warehouse Group in New Zealand. Both have been able to implement retailing concepts on a larger scale than any other company in their country. Both also have strong rural origins and continue to dominate retailing in rural areas of their respective countries.

Trimble (1990), Walton and Huey (1992) and Gross (1996) all capture the story of Wal-Mart and its founder, Sam Walton. Gross described the essence of Walton’s success: ‘The first was his willingness to listen to anyone’s ideas at any time. The second was his ability to sort through those ideas to find ideas that made sense. The third was his willingness to apply the energy and effort necessary to implement the ideas he choose to use’ (p. 277).

Investigating social responsibility in business, Leanne Holdsworth has compiled a collection entitled *A New Generation of Business Leaders* (2000). Included in her case studies of 16 New Zealand and Australian business leaders is Stephen Tindall, creator of The Warehouse Group in New Zealand. The Warehouse is a retail success story, with over 90 stores nationwide, primarily in rural areas. The business’s success is very much a result of Tindall’s focus on stakeholders—shareholders, customers, his team, suppliers, and the community. Appendix A describes a range of Tindall’s innovative initiatives.

Community enterprise success

There is a dearth of information relating to special interest or special population groups and rural enterprise. Despite a strong tradition of social-purpose enterprises in Australia, there has been only very limited research into the success factors for community-owned initiatives. Lyons (2001) provides the first overview of Australia’s social-purpose enterprise movement, summarising the enterprises’ role in the economy and providing insights into their relationship with the world of business and government. He pays only limited attention, however, to the success factors.

One useful resource in this field is a manual prepared by the Cooperative Federation of Victoria

(2001), which documents nine case studies of rural cooperatives in New South Wales and Victoria. The descriptions and analysis of each are brief, but the manual is a useful introduction to understanding the value and success of each cooperative.

New Zealand is one country where the community enterprise model has been popular. Lancaster's *Communities of Enterprise* (2000) provides excellent case studies of nine New Zealand community enterprises. Her in-depth summaries reinforce the results of Graeme Mitchell's research into non-profit organisations. In summary, his research emphasised the practical importance of the following:

- managing the creative tension between social and business objectives
- founders (visionaries) and their values
- training the next generation of leadership
- developing board structures that balance out internal and external members, vision-keepers and business specialists
- being 'values-driven'
- looking to the future and having managers trained in change management
- discovering the passion of every staff member
- being committed to social responsibility and investing in communities. (Mitchell, cited in Lancaster 2000, pp. 54–5)

Enterprise success among young people

Enterprise among young rural people is attracting increasing interest, but there has been very limited research into it. Two studies by Dr William Walstad (from the National Center for Research in Economic Education) and Dr Marilyn Kourilsky (from the Kauffman Center for Entrepreneurial Leadership) (1999, 2000) provide insight into the seeds of success. Through studies and stories, the works show how in the United States today teenagers are becoming the primary pool for tomorrow's entrepreneurs and entrepreneurial thinkers.

Building on the foundation of an extensive US national survey, Walstad and Kourilsky provide a quantitative analysis of how young men and women view the possibilities and pitfalls associated with starting their own business and their future aspirations. The authors also provide an incisive assessment of how US education systems are currently

preparing—or failing to prepare—the entrepreneurs of the future, drawing on the findings of four major Gallup Surveys, which indicate that 70 per cent of US teenagers would like to start their own business yet few know how to do so. Walstad and Kourilsky are very critical of US education systems' failure to prepare young people for this option.

Grunder (2003) provides a useful analysis of his own journey from a post-school youth venture to a business generating \$3 million annually, with over 40 employees. His nine success factors represent simple practical advice:

- Pick up a passion.
- Set your goals.
- Get paid to learn.
- Surround yourself by winners.
- Believe in yourself.
- Focus—get rich in a niche.
- Ask questions.
- Perform in a way that is contrary to the norm.
- The harder you work, the luckier you get.

This advice reflects the view of many of the young entrepreneurs whose stories are told in Chapter 4.

Conclusion

A review of international and national research into the success factors associated with business creation and expansion reveals considerable interest, on the part of researchers, governments and practitioners, in the past two decades. It points to a wide range of personal attributes, motivations, beliefs, behaviours and competencies. There is also reference to a diverse range of environmental influences that help or hinder business success.

The 20 case studies described in Chapter 4 reinforce many of these themes and messages. Above all, they provide real-life stories from rural and remote Australia and practical illustrations of the principles and practices discussed here and in Chapter 2 in day-to-day operation. Both the review of research to date and the case studies presented in Chapter 4 highlight one fundamental principle: successful entrepreneurs are not in the business to build products or services; they are in the business of building relationships with stakeholders—staff, customers, shareholders, other businesses and the community.

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Beechworth Bakery



Tom O'Toole was brought up in poverty in Tocumwal, in rural New South Wales, and dropped out of school at the age of 14 years, with no literacy or numeracy skills. Today, with his wife Christine and staff shareholders, he is proprietor of the retail baker with the largest turnover in the Southern Hemisphere—the Beechworth Bakery—and one of the most sought after motivational speakers in Australia.

The Beechworth Bakery is a sensational rural business success story in terms of turnover, job creation, visitor attraction, and positive impacts on what was a moribund community. It is credited with revitalising the town of Beechworth, turning around its ailing economy. It has become a national business icon and an inspiration to rural communities and businesses throughout Australia, New Zealand and South Africa

The story so far ...

Tom O'Toole, the legendary Beechworth Baker, began life and employment in the New South Wales country town of Tocumwal. In his words, 'I failed kindergarten, and when I left school at 14 I didn't know my ABC or my times tables, and I still don't' (Muir 2001, p. 4). He managed to get a baker's apprenticeship at the local Tocumwal Bakery only because, as he says, 'No one else would take it as you had to get out of bed at 2 in the morning'.

By the age of 21 Tom was managing an Aboriginal bakery in Maningrida, in Arnhem Land in the Northern Territory. Then began a series of business ventures, first in Yarrawonga and Beechworth in Victoria and then in Augusta in Western Australia. Returning to Beechworth in 1984, Tom found a depressed community and local economy. He reflects in his autobiography,

Today people say, 'Geez, wasn't Beechworth smart saving all its heritage and its history'. It wasn't the bloody smartness of the town, it was bloody poverty. No one would spend any money on the town. It was a town that was slowly dying. Today it's very much a tourist town, but it's still on a road to nowhere. Sixteen years ago, when I bought the Beechworth Bakery for the second time, people didn't say 'I'm going for a drive to Beechworth' unless they were going to visit Mad Aunty in the lunatic asylum or one of the relations in the jail. Sixteen years ago, it was a government town ... Look at Beechworth today. It's a hive of activity on the weekend. But when I came to town 16 years ago, those shops were all boarded up. (O'Toole & Tarling 2001, p. 3)

The struggling milk bar and cafe Tom bought in 1984 epitomised the sad state of Beechworth: it employed two part-time staff and had an annual turnover of \$100 000; the business was bankrupt; and the building was full of mice and rats, and a possum living in the

kitchen ate the vegetables intended for pasties. Tom says, 'There was a health order on the place and it was going to close, but I wanted to buy it because I saw the potential of the tourist dollar. I went to my bank manager, who said, "You're bloody mad. This town is dying". I changed banks' (Fischer & Rees 2002, pp. 36–7). Tom opened the business with five staff and within three months was employing 23 people.

Today, for a bakery located three hours from a capital city and on 'a road to nowhere', the business's achievements are quite remarkable:

- the largest turnover of any retail bakery in the Southern Hemisphere
- an annual turnover of \$3 million
- 680 000 customers a year
- 74 employees
- the ability to seat 200 customers
- \$30 000 taken on one day (on Easter Saturday in 2003) and \$140 000 in a seven-day period
- winner of the Victorian Tourism Award for Most Significant Regional Tourism Attraction on three occasions
- winner of a host of state and national business awards.

In 2000 the O'Tooles offered eight staff members the opportunity to buy into the business as partners. Four decided to take up the offer and, in Tom's words, 'were prepared to put their balls on the line, and 18 months down the track they are hungry for business success. The business now runs without me'.

In 2002 Tom, his wife Christine and staff shareholders established the Beechworth Bakery in Echuca—which now employs 46 staff—in a bakery complex that had gone bankrupt. In 2003 Tom opened the Beechworth



Tom and Christine O'Toole

Bakery in Healesville, in Victoria's Yarra Ranges. His business plan envisages a Beechworth Bakery in a rural town in every state of Australia by 2015.

Tom O'Toole and the Beechworth Bakery make for a remarkable story. Tom's view of success is worth noting: 'Today, my definition of success is being able to live the life I choose—and I choose to be a baker in rural Australia. That is success for me today' (Muir 2001, p. 5).

The impact

The Beechworth Bakery is a business success story from a range of perspectives, including business and employment success, its effects on Beechworth, and as a national and international inspiration.

Business and employment success

The figures just quoted for the Beechworth bakery are exceptional. According to Lowell Tarling,

The Beechworth Bakery is more successful than corporate bread shops, the franchises and the city bakeries, and Tom has done it in the little town of Beechworth. Beechworth has a population of 3149, yet the Beechworth Bakery's turnover is the equivalent of taking \$1 from every person in the Sydney metropolitan area each year. Can you believe it? (cited in O'Toole 2000, p. 48)

For Business Victoria, 'Under Tom O'Toole's management and direction, the Beechworth Bakery has achieved job creation, annual income and cash flow that few retail bakers outside our capital cities would hope to achieve. We use Tom's business as a case study' (Ashton 1997).

The Beechworth Bakery is now one of the biggest private employers in Beechworth, contributing over \$1 million a year in wages. It can unashamedly

promote itself with the positioning statement, 'Australia's Greatest Bakery'.

Effects on Beechworth

The Small Town Renewal Kit names Beechworth as a wonderful example of small town revitalisation. The authors have no doubt about the origins of that revival:

The Beechworth Bakery's impact on Beechworth and its business and employment basis is impressive. Its success has activated a chain reaction in the town. Today the town is a major tourism centre and, despite the dramatic closure and job rationalisation within its public sector (eg, the Mayday Hills Hospital has closed with the loss of 500 jobs), Beechworth is growing in population and employment opportunity and diversity. (Kenyon & Black 2001, p. 31)

The Beechworth Bakery's role-modelling of best practice in terms of marketing, merchandising, business appearance, product range, cross-promotion and entertainment, and its subsequent financial rewards, have permeated the Beechworth business community, and the town is now a fine example of local business vitality. Today Beechworth is, in Tom's words, 'No longer a place for only the mad, and the bad, and the sad, and going nowhere' (Fischer & Rees 2001, p. 38). It has become 'a major tourist centre that is expanding in population and employment opportunities and becoming a more diverse economy' (pp. 39–40).

In addition, the Beechworth Bakery has been a key supporter and leader of special events in the town, as a means of attracting visitors. The Bakery is an active participant in and contributor to such events as the Celtic Festival, the Drive Back in Time Festival, the Golden Horseshoe Festival and the Harvest Festival. Ian Allen, the Beechworth newsagent, captures this impact: 'The Bakery is an absolutely magnificent drawcard for Beechworth, and any business that draws people to Beechworth means other businesses get the spin off benefits' (cited in Kenyon & Black 2001, p. 33).



The Bakery and its enthusiastic staff

A national and international inspiration

The Beechworth Bakery is a business success icon in Australia, New Zealand and South Africa, and Tom O'Toole is the now one of the most sought after motivational speakers in Australia. Each year he addresses over 100 events nationally and internationally. His speaking style is likened to 'John Cleese on speed'; ICMI Speakers and Enterprises (2002, pp. 3–4) has recorded the following reactions:

- Excellent. Tom's presentation was inspirational and entertaining. He captured the attention of a young group of managers and held their focus for over the hour he spoke. (McDonalds)
- Excellent. Tom's animated style in delivering his message on how to improve business was both insightful and hilarious—it was the tonic we needed. (*The Age*)
- Quirky, compelling, energetic—a sensational speaker. (Young Presidents Organisation)
- Excellent. Tom's inspirational story, his genuine enthusiasm and his unique style had even our most cynical staff hanging on his words. (Casino RSL Club)
- Excellent. Tom captures your attention immediately with his very natural and down to earth approach. A very strong message that everyone can receive and action. (Lorrain Lea Linen Pty Ltd)

Each year the Beechworth Bakery attracts between 50 and 100 local, interstate and international members of the bakery trade. It has a policy of freely sharing all its information and secrets—including recipes.

The success factors

Tom O'Toole believes that 'business is so simple, you can miss it' and has a very basic eight-point recipe for 'making dough' his way.



Tom in one of his 'How do we do it better?' moods

The success factors

- Loving cash flow
- Practising outrageous customer service
- Avoiding the bland and daring to be different in marketing
- Exciting, involving and motivating staff members
- Networking and cross-promotion with other local businesses
- Being idea obsessive
- Avoiding the dream takers and negative energy suckers
- Being passionate

Loving cash flow

Tom 'loves hearing the tills ring' and 'seeing money come across the counter' and so is prepared to do 'that little bit extra' to satisfy his customers—for example, opening the Bakery from 6.00 am to 7.00 pm seven days a week, making sure the shelves are full of interesting products, and responding to every request.

Practising outrageous customer service

Tom considers that business success is not about product but about customer service: 'My bread is probably no better than the rest, but our service vision lifts us right out of the crowd'. The Beechworth Bakery has three basic rules:

- Rule 1: Take care of the customer.
- Rule 2: Take care of the customer.
- Rule 3: Take care of the customer.

For Tom, the needs of customers are very simple: 'Look at me, greet me, talk to me, thank me'.

Beechworth Bakery believes in looking at the big picture and realising how much a lifetime customer spends. If any customer is noticed not eating their food, staff are expected to give them back their money—plus a cake.

With a strong commitment to the philosophy that 'if we don't take care of our customers, someone else will', the Beechworth Bakery issues to all staff a manual providing practical directions for exceptional service.

The 'Advice on handling the complaining customer' section of the manual is reproduced here as part of Appendix A. Tom says, 'Customer complaints are the schoolbooks from which we learn'.

The Beechworth Bakery actively solicits customer feedback and ideas. There are four 'customer comments' boxes spread throughout the shop. Tom puts it this way:

I believe the simplest way to run the business is to ask the customer. It's like having a free consulting service working for you full time ... In the early days, I was under the impression that we couldn't grow any more. We were turning over about \$1.5 million a year. If you're turning \$1.5 million cash over a bakery counter in Australia, you're doing pretty good. I stuck these customer comment boxes in and they told me how to do it better, and I started to grow.

The Beechworth Bakery receives, responds to and acts on over 200 feedback sheets a month.

Avoiding the bland and daring to be different in marketing

The Beechworth Bakery believes in providing a 'retail experience' and in constantly introducing zany innovations to attract, excite and entertain the customers. Says Tom, 'In every town and business, there has to be the wow factor, wow is the answer'. The Beechworth Bakery was one of the first, both in Beechworth and in the bakery industry, to put chairs outside on the pavement. The desire for marketing innovation is demonstrated by the following:

- product diversity—the Bakery has over 260 bakery lines
- a jazz band on the balcony every Sunday
- pipes from the bakehouse to the verandah and fans to pump hot bread smells up and down the street



A Sunday jazz band

- distribution of 'Beechworth dollars' and coffee coupons to local and regional accommodation businesses to entice their customers to visit the Bakery and the town (see Appendix A)
- active support of special events in the town and a calendar of in-store special events—for example, Pyjama Day, St Patrick's Day, Kids' Day, Donut Day and the pie-eating competition
- a 1929 A model Ford truck for assisting with special promotions
- positive posters throughout the shop and especially in the toilets
- use of the Bakery as a fun community meeting space.

Exciting, involving and motivating staff members

Tom says,

My staff are the key to our success. I am just one of 74—and the most useless one, so they tell me ... My business is about people. We so often think it is about product. If my place burnt down tomorrow, and as long as my staff were not cooked, I could be operating down the road within hours.

Tom has implemented an extensive range of initiatives to empower staff and build commitment to the Bakery family, among them the following:

- a national and international staff visit and exchange program—for example, four staff went to New Zealand in 2003
- staff recognition initiatives
- fun staff meetings every six weeks, where the staff determine the agenda and the meeting is conducted in a carnival atmosphere
- staff family nights
- a weekly staff newsletter, *The Bread Line*
- making all financial figures available to staff
- provision of a staff room for family members, including children after school
- regular staff professional development opportunities
- the opportunity to buy into the business as a partner.

Networking and cross-promotion with other local businesses

The Beechworth Bakery seeks to promote business collaboration and cross-promotion. Tom and Christine O'Toole have a personal and professional commitment to the town of Beechworth and to north-eastern Victoria. Actions that demonstrate this philosophy include the following:

- use of place mats that advertise other Beechworth attractions and businesses
- participation in and leadership of the local chamber of commerce
- all staff participating in town tourism familiarisation tours
- sponsorship of business development nights at the Bakery for local business people.

Being idea obsessive

Despite operating the top-selling retail bakery in the Southern Hemisphere, Tom and Christine are constantly looking for that next great idea. They believe the Bakery is far from perfect, that there is always room for improvement and innovation. Each year they attend national and international bakery conventions and tour other states and countries. They also helped establish the Bakery Think Tank, where they and 10 other Australian and New Zealand bakers gather twice a year to explore new ways forward and support each other's personal and professional development.

Tom's attitude to being a continuous learner is well summarised by this statement: 'I really believe that the more we learn, the more we earn. I travel beyond my backyard, to Germany, to see what sorts of things they do over there. All the time I'm listening to tapes and reading books, trying to learn about business' (cited in Lunghusen 2002b, p. 7).

Avoiding the dream takers and negative energy suckers

Tom O'Toole's devotion to positive thinking has taught him about the influence of what he refers to as 'dream takers' and 'energy suckers', and he actively avoids their presence and participation in his business. He is adamant that 'It is the believers in this world that pick up the prizes ... Don't let the dream takers steal your day'.



Tom giving one of his business addresses

Being passionate

Four quotes from the *Ovens and Kiewa Valley Echo* (4 November 2000, p. 4) encapsulate Tom's belief in passion:

- Passion. If your heart's not in it, get out. The sky's the limit if your heart is in it. You have got to have enthusiasm. If you haven't got enthusiasm, you're bugged.
- We all have to be passionate in everything we do and say. I can't bear to be around people who are bland or bored. There's a breed of brain-dead, gum-chewing assistants in so many shops, I want our people to feel excitement about our culture and our product.
- Live life to the full. Always ask yourself, 'How long am I going to be dead?' and get into life.
- I've concluded that life is about getting up in the morning, in love with life and rarin' to go. Ya gotta git into it.

Local economic development consultant, Peter Palmer summarises the Bakery's formula: 'Tom and the Beechworth Bakery give the mere mortal and small towns hope for the future. They have shown that it is no rocket science stuff, but to do with a pile of basics' (cited in Kenyon & Black 2001, p. 33).

Advice to others contemplating rural business creation

Tom O'Toole has a series of one-liners that represent his advice to others wanting to emulate his success in rural Australia:

- If this bugger can make it in business, anyone can.
- It's 5 per cent technology, 95 per cent psychology and attitude.
- Have belief in yourself, and get out of your comfort zone.
- Go that little bit extra, because the difference between the ordinary and the extraordinary is that little bit extra.
- We are there for the customers, but people forget that. We get so tied up in our spreadsheets and data that we forget we are there for the customers. We forget about the people wanting to give us money.
- Be part of your community. Stick up your hand and get involved.
- If you are not determined—utterly and totally determined—to stand out, you're history. We get so comfortable. We get store blind, shop blind, town blind ... it's about

change, it's about going beyond your own backyard, getting outside that comfort zone.

- The biggest sin is sitting on your arse. You've got to think, 'If it is to be, it's up to me'.
- If your heart's in it, the sky's the limit. Get in there, boots and all.

And the best advice Tom believes he was given was 'to read *The Power of Positive Thinking* by Norman Vincent Peale, so now within 15 minutes of waking up in the morning, before all the shit comes in, I read a line or two from that ... people get caught up in studying doom and gloom, but I say study success and happiness instead' (cited in Muir 2001, p. 4).

Finally, as a passionate rural Australian, Tom advises, 'Take a risk. Turn off the television. Get out there and see what rural Australia has to offer—the future is right here in rural Australia'.

Further information

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Elvis Parsley's Grapeland



Facing the demise of his business, like most small town fruit and vegetable retailers, Nick Comino decided to be bold and think outside the square. He established Elvis Parsley's Grapeland, combining his passions for fresh food, fun and Elvis Presley. With his Grapeland, Nick has become a national icon, recognised for his innovation and his contribution to the tourism industry and business life in the Queensland town of Woodford, 60 kilometres north of Brisbane.

Nick's spirit, boldness and belief in the retail experience and exceptional customer service have positioned him and his family business at the forefront of rural economic

The story so far ...

The words of the writer of the *Caboolture Shire Entertainment Guide*, Peter Evans, vividly describe the transformation of a traditional country town fruit and vegetable shop:

In a town once known for its dairy products and contented cows a lot has changed. Now farmers are serenaded as they deliver produce to their local grocer. He is the king of the salad roll. He's put the beat into beetroot, the viva into vegetables and the calypso into carrots. That's right, Elvis is *not* dead, just living a fruitful life in a quiet country fruit shop in Woodford. Elvis Parsley's Grapeland, as distinct from the other esteemed southern address, Graceland, has become an icon for the people of Caboolture Shire and more importantly Woodford.

Nick Comino has a proud heritage of family involvement in fruit shop operations. His parents' business in Gympie, TC Comino and Co., was famous for its wholesale and retail fruit operations. In 1983 Nick bought his own business in the small town of Woodford. However, like most independent country town greengrocers he soon faced business closure because of the growth of regional shopping centres and their chain store tenants. He realised that in a town of only 2000 residents, and with the major regional centre of Caboolture only 30 minutes away, he needed to be bold and creative.

As a young person growing up in Gympie in the 50s and 60s, Nick had always identified with Elvis Presley, his music and stage presentation: 'I'd ring the local radio station and request Elvis songs and then sing along with a broom handle, so I guess the idea was developing back then'. Then, in the 1980s, with mates John Kerslake and Garry Secretin, Nick became part of a band called the Swinging Zucchini's, which specialised in Elvis impersonations and songs. One night someone yelled out 'Elvis Parsley' and, as Nick reminisces, 'I thought, Hey! That's a great idea—fruit

fit for a king. And the concept of Grapeland was born. Sales were slipping and I was in danger of becoming a has-been in the greengrocer stakes and suddenly I had a great idea'.



The Swinging Zucchini's

In 1994 Nick decked out the business with his extensive collection of Elvis memorabilia and opted for the looks, the voice, the jumpsuits and the moves of the King. 'With mike in hand (or is it a banana?) he serenades his customers with renditions of Elvis' greats. He gyrates, swivels his hips, bends that knee and croons into the mike with the same brooding intensity as the King' (Fouracre 1998, p. 10).

Nick took popular Elvis songs and reworded them with the fruit and vegetable connection—*Viva Viva Las Vegies*, *Well, You Can Shake an Apple off an Apple Tree* and *Oh Baby, Lemon be your Lovin' Kiwifruit*, and so on. The response from locals and visitors has been incredible:

Ever since the transformation of the business, the joint's been jumping. Take a jailhouse rockmelon, add some suspicious limes, love me tender tomatoes, blue swede shoes, and artichoke hotel, and you're making music at Elvis Parsley's! Nobody has given Nick the raspberry and the cash register's been raisin hell. (Olszewski 1995, p. 7)

Nick puts it this way: ‘The customers love it. You should see them jiving between the oranges and pineapples. It gives people a sense of happiness and gets them laughing. And it’s a real living tribute to Elvis’.



Elvis Parsley

The impact

The transformed enterprise has had a positive impact, particularly in terms of the business’s vitality, the local economy, and tourism in the area.

Business vitality

Grapeland stands in stark contrast to the fate of most small town greengrocery businesses. There has been rapid decline in their numbers across the country, but Grapeland has become a very viable and sustainable operation, ensuring employment for Elvis Parsley, his assistant Banana Mouskara (sister Rita) and several casual staff. Turnover has increased dramatically since the advent of the Elvis show.

The local economy

Grapeland and the performance of Elvis Parsley have put Woodford on the tourist map. Local correspondents such as Cath Fouracre of the *Sunshine Coast Daily* have no doubt that Grapeland is ‘the town’s premier tourist attraction’ (1998, p. 10). It is a ‘must stop and see’ attraction for both tourist coaches and self-driving visitors, and other businesses in the main street of Woodford are benefiting. Nick says,

Visitors and bus tours start with me. Then they check out the rest of the town, discovering the great retail diversity that Woodford offers. Other businesses are obviously benefiting, and the demand for other businesses to open all weekend, I think, illustrates the drawcard effect of Grapeland.

Tourism

In 2003, when launching *The Great Australian Gazetteer*, a 400-page travel and food guide promoting tourism in regional Australia, former Deputy Prime Minister Tim Fisher singled out Elvis Parsley and Grapeland as an example of ‘the weird and wonderful experiences of regional Australia’.

Grapeland has become one of Queensland’s tourism high points. It has been featured in a host of state, national and international media stories, including on *The Great Outdoors* television program in Australia, on CNN in the United States, and on XFM Radio in London. The fame of Elvis Parsley’s Grapeland has even spread to Memphis, Tennessee, where one of his pamphlets graces a wall in the real Graceland mansion.



A popular tourist stopping-off spot

The success factors

Nick Comino and other local business commentators are clear about the reasons for the success of Grapeland. They point to five simple factors.

The success factors

- Spirit and passion
- Retail experience
- Exceptional customer service
- Boldness
- Belief in Woodford

Spirit and passion

According to Nick Comino,

Everyone has fruit, but what I provide is an atmosphere, a mood and an experience. It takes people back. So many people relate to Elvis tunes. It revives their youth. It’s spiritual. So many visitors

share feelings like ‘Best time I have had in ages’, ‘It has taken me back to the good old days’ and ‘You’ve picked my flagging spirits up’. To see 90-year-olds dancing and singing amongst the fruit is unbelievable. The experience is deeper than dollar a bag. There is love, emotion and passion.

Nick has a wonderful love of life and people. His infectious manner permeates the community and his customer service. He sincerely believes that what he gives is ‘life-giving—it simply promotes life’. He also believes that his fundamental product, fresh fruit with live music, is good for the soul and the body and has a ready reception from all generations.

Nick summarises his unique philosophy this way: ‘I’ve always identified with Elvis, his music and his stage act. But I combine his music with a philosophy of giving peace and happiness and sending a message of love to my customers and audiences. That’s why I call myself the spiritual Elvis’ (Fouracre 1998, p. 10).

Retail experience

In Nick’s view, most customers and tourists are not interested in just a product but want a real experience. His music, presentation and use of humour provide that experience. Nick says,

Humour is good for the soul and it makes people’s life worth living. It’s amazing how humour and song can break the ice. I meet so many people for the first time who call into the shop, we begin to talk and sing, and within five minutes we have become buddies. A change comes over them, a smile appears and life’s worries seem to disappear. I give people something they need for their life.

Nick’s presentation and approach make for an exciting retail experience, especially during Woodford’s annual Folk Festival, when the experience can be ‘electrifying’. ‘We’re dancing, juggling the fruit and enjoying life,’ says Nick.

Exceptional customer service

Nick believes that if a customer has a wonderful experience they will return or recommend the shop to others: ‘You can have the best apples in town and it will not be enough to build a customer base. It’s all about first impressions, customer service and personal touch. One needs to project that positive and happy disposition and relate to the basic spiritual needs of your customers’. His record demonstrates that truth.



Customers enjoying the retail experience

Boldness

Nick says,

If you want to survive in a town of 2000, only half an hour from a major regional shopping centre, you need to be bold and creative. Small business is getting harder; it’s a struggle. Only those who are prepared to think outside the box can survive in our business sector.

Belief in Woodford

Nick Comino wants to see the small town of Woodford retain its population and services and grow and flourish. His confidence in what the town offers is a motivating force for his business approach: ‘I want people to come to Grapeland, to laugh, sing, dance and experience what I love about this town. Until you see and experience this community, you are certainly missing one of life’s great adventures’.



Grapeland—a regular coach stop

Advice to others contemplating rural business creation

Nick's advice about establishing a successful rural business is succinct:

- Be bold and game.
- Attempt to make your business fun and enjoyable.
- Do not underestimate the challenge.
- Add that personal touch.

Further information

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Fairbridge Western Australia



Fairbridge Western Australia Incorporated is a non-profit charitable organisation that owns and operates the historic Fairbridge Village, near the town of Pinjarra in Western Australia. Fairbridge has a business arm that generates income to help fund its work with young people. Initially established in 1912, the Village was originally a farm school for migrant children; it is now a heritage site and multifunction youth and tourism facility.

Above all, Fairbridge is an energetic, vibrant community where groups, individuals, families, communities and organisations are engaged in learning and growing as people. In the 1980s and early 1990s, however, Fairbridge was in financial and physical decline. Its dramatic revitalisation since then provides a valuable lesson for other rural businesses—small, medium or large—seeking to restructure, develop in an environmentally sustainable way,

The story so far ...

Fairbridge Village was founded by Kingsley Fairbridge: South Africa's first Rhodes Scholar to Oxford University created the Child Emigration Society as a means of helping disadvantaged young people escape the poverty of Britain and discover self-worth, skills and opportunities in rural areas of the British colonies. Kingsley Fairbridge was stricken by the poverty many young people in England experienced and famously said, 'I have a vision, I have a task'. Through the creation of Fairbridge Farm Schools in Western Australia, Victoria, New South Wales, Tasmania, South Australia, Canada, Rhodesia and New Zealand, he wanted to see 'little children shedding the bondage of bitter circumstances and stretching their legs and minds amid the thousand interests of the farm' (Fairbridge Western Australia 2002c, p. 1.4)



The Founder
KINGSLEY FAIRBRIDGE
(1865 - 1924)

Kingsley Fairbridge

Fairbridge Village at Pinjarra was the first Fairbridge farm site established and the only one that Fairbridge personally developed (between 1913 and 1924). Today it is the only Fairbridge Village site still in existence. Between 1913 and 1983 a total of 3580 children were supported there. It consists of a small town with 55 heritage-listed buildings on 30 hectares of land. It is due to be placed on the 'super list' of Australia's 50 most significant heritage sites. There are schoolrooms, dining halls, single- and double-storey cottages, a chapel, the farm, a shop, and training and sporting facilities, and the complex can accommodate up to 355 people. The Fairbridge chapel is the only building in Australia designed by renowned imperial architect Sir Herbert Baker (1862–1938). At the very time he was completing plans for this chapel in a small Western Australian town he was drafting plans for the Indian Parliament in New Delhi, the Bank of England in London, and Rhodes House at Oxford University.

There are numerous other interesting historical facts about Fairbridge:

- The site was used as a training ground for the Women's Land Army during World War 2.
- Private school Guilford Grammar moved out to Fairbridge during World War 2 because its own site was being used as a US hospital base.
- Fairbridge had the highest proportion of ex-residents of any Australian institution enlist in the armed forces.
- An airfield was constructed there and operated from during World War 2 until the late 1950s.
- Dutch refugee children were based at Fairbridge after World War 2 while being reunited with their families.

- The local Pinjarra school sent children to Fairbridge to be educated in specific areas.
- Fairbridge had the first legal drag strip in Western Australia, in the 1950s.

Child migration and family migration support schemes ended in 1983, and from then until 1993 the Fairbridge site was used for a range of youth- and community-centred activities.

By 1993 Fairbridge Western Australia was struggling financially, and a motion to close the Village was before the board. Many buildings were very run down, eight of them being derelict. But closure would have meant the loss of the last remaining Fairbridge Farm School in the world. This situation was unthinkable given the site's recognised heritage significance, both nationally and internationally, and its capacity to make a difference to the lives of young people. To avert closure, Fairbridge Western Australia commissioned a range of studies and reports that culminated in the launching of the five-year, \$6.5 million Fairbridge Village Redevelopment Project in May 1997. Among the key tasks to be performed as part of the project were the following:

- building restoration, development and furnishing
- upgrading and development of youth and sports facilities
- repairs to the grounds and environmental development
- establishment of public amenities
- acquisition of equipment, material and operational capital.

The Western Australian Government contributed about \$1 million for capital works and equipment, over half of that coming from the Lotteries Commission and the remainder from the Department of Commerce and Trade and the Heritage Council of Western Australia. The Commonwealth Government contributed \$2 million to the project; Alcoa World Alumina Australia, \$1.3 million; Freemasons of Western Australia, \$500 000; and Wesfarmers, \$500 000. The remaining \$1.2 million came from the wider community and other elements of the corporate sector.

As part of the redevelopment process, the leadership team—the board of governors, the trustees and the chief executive officer—brought the vision of Kingsley Fairbridge into the 21st century. Fairbridge's vision, mission statement and guiding principles reflect both

its founder's original dream and the renewed strategic direction of the organisation:

Vision

Fairbridge is a place where young people can grow—within themselves, within society and with the earth.

Mission

Our mission is to facilitate opportunities for young people to:

- believe in the exhilaration of life;
- appreciate their heritage;
- live harmoniously with the environment; and
- take responsibility for the future.

Guiding principles

We are a forward looking organisation actively engaged in structuring the future of young people and the environment through a culture of creativity, innovation, resourcefulness and efficiency. We will:

- develop an atmosphere at Fairbridge which encourages self discovery;
- protect the Fairbridge ambience and conserve and enhance the physical and cultural heritage of Fairbridge;
- be a leading example in sustainable development;
- encourage the demonstration and use of environmentally friendly technologies; and
- promote the regional context of Fairbridge. (Fairbridge Western Australia 2002a, p. 1)

As a consequence of the Redevelopment Project, Fairbridge is emerging as a world-class facility committed to the development of young people and the environment within a heritage setting. Since 1997 new infrastructure has been installed throughout the Village, and 21 of the 55 heritage-listed buildings have been conserved, 13 being fully restored. The Village is now a vibrant and active heritage and tourism site. The organisation has also worked hard to ensure that all heritage guidelines are stringently followed. In 1999 Fairbridge was formally acknowledged for its commitment by being awarded the Western Australian Government's prestigious Heritage Award.

Over the same period Fairbridge has also greatly expanded its work with young people in need. Following three years of pilot programs, a major youth initiative—the Fairbridge Pathways Program—was launched in January 2002. Each year the Pathways Program will support about 1500 young people at risk, with a disability or struggling to achieve, to bring about long-term sustainable change, moving them

from being alienated from society to being valued, supported and positive contributors to society. Each person's pathway is structured to meet his or her individual needs.

In addition to this, Fairbridge Village is now a base for international eco-camps for schools and colleges from Japan and Singapore. It is also currently in discussions with operators from South Africa, Malaysia and Indonesia with a view to using the Village as a base for international tourists and camps.



A typical Fairbridge building

Another positive to emerge from the Redevelopment Project is that Australian and international visitors now have access to a national treasure. The number of visitors to Fairbridge Village increased from 5000 in 1993 to 100 000 in 2002, with over 36 000 people being accommodated in that year. It is expected that the number of visitors will increase to 150 000 a year within the next three years. The range of activities and services offered continues to expand, and value has been added to many areas. These improvements do, and will continue to, have a direct impact on the enterprise's cash flow and longer term economic viability.

The impact

Fairbridge's revitalisation has had a major impact at the regional, state, national and international levels from a range of perspectives—societal, economic, environmental and heritage.

In the last four years Fairbridge has contributed over \$8 million to the Peel region's economy. The number of staff at the Village has increased from three in 1993 to over 100 in 2002–03, a third of them being young people who were previously unemployed and 10 being young people with a disability. The wages budget for 2002–03 exceeded \$1 million. The workforce at Fairbridge is an inclusive one, with a range of skills, abilities and cultural backgrounds. Twelve new staff

members have also moved into the community with their families, thus contributing directly to the local economy and knowledge base. At present 20 Aboriginal trainees are being employed on site during a two-year period, making Fairbridge the primary employer and trainer of young Aboriginal people in the region.

As noted, in 2002 Fairbridge attracted over 100 000 visitors, with 36 000 being accommodated overnight. The economic flow-on benefits of 100 000 people visiting a region with a high unemployment rate are very significant. The Western Australian Tourism Commission equates the economic impact of 20 additional carloads of visitors per night over a year with a factory with an annual payroll of \$1.5 million. Those 20 carloads of visitors each night generate 21 new jobs in a community. Fairbridge also has a policy of buying locally, while at the same time ensuring competitiveness. This sustained increase in activity at Fairbridge has benefited many rural businesses that were struggling to increase their profitability.

The Redevelopment Program has also allowed Fairbridge to greatly expand its work in helping young people realise their potential. The Fairbridge Pathways Program has had direct impacts on the lives of young people and their families. In particular, Fairbridge is an important contributor to reducing unemployment among young people in the area, both directly and indirectly—very important for a region with 9.6 per cent unemployment, one of the highest rates in Australia.

Fairbridge is committed to instilling in young men and women the principles of environmental sustainability and land care. The Fairbridge Environmental Program is fast gaining a reputation for innovative environmental education. In 2002 Fairbridge hosted and supported the State Youth Affairs Conference, 'Managing Sustainability: a quest for the holy grail?' It also hosted its third Millennium Kids Conference. Building has begun on the Environment Centre, which will be a showcase for the integration of environmentally friendly technologies.

Fairbridge Village is also becoming a focal point for music and cultural development, with a range of state-based and national events happening and developing on site, among them the following:

- the Fairbridge Festival—an international music and cultural festival that annually attracts over 8000 people

- Peel Farm Tech, a sustainability event attracting over 3000 people annually
- Fairbridge Jazz Festival, which attracts 10 000 participants
- Youth Music and Cultural Festival artists-in-residence, encompassing music, art and theatre.

The success factors

Fairbridge management sees success as 'where preparation and opportunity meet'. Eleven key factors contribute to Fairbridge's current economic success and its future growth prospects.

Building on a unique heritage

There is no other heritage site like Fairbridge Village, Pinjarra. The Village is now classed internationally as the repository of the historic living cultural heritage of all the Fairbridge sites around the world since it not only was the first site but is now the last remaining Fairbridge Village. More importantly, it is still operating in accordance with its founder's vision of providing opportunities for young people to realise their potential.

Staff and management have ensured that Fairbridge functions as a nationally acknowledged heritage tourism icon. This is not just to do with the collection of historical buildings: it is also about the excitement of the Fairbridge story.

The ambience at Fairbridge is welcoming. The staff delight in sharing Fairbridge's history. Visitors and students find themselves engrossed by the colourful tales of past residents. This experience is particularly enhanced by the continuing involvement of Old Fairbridgians in the Village's life. Old Fairbridgians are given the opportunity to tell their personal stories to the young people at Fairbridge and to share the wisdom gained throughout their life journey.

Willingness to embrace change

Fairbridge's success has come partly because of its willingness to adapt to changing times and circumstances yet keep faith with the original concept of providing opportunities for young people who have been denied them. Ideas for improving outcomes emerge from all elements of the Fairbridge community—staff, volunteers, students, Old Fairbridgians, corporate partners and management.

Success factors

- Building on a unique heritage
- Willingness to embrace change
- Transformational leadership
- Living the vision
- Robust management
- Strategic partnerships
- A focus on quality
- Targeted marketing
- Support of like-minded individuals and organisations
- A long-term commitment to the environment
- Passion, idealism and higher purpose

Transformational leadership

In less than five years Fairbridge's leadership team has transformed a decaying and unprofitable site into a vibrant, active, multifunctional, award-winning heritage village and enterprise. Success in a task of this magnitude requires deep commitment to the organisation's vision, discipline to communicate that vision, a passion for results, and staying power. Central to that leadership performance has been CEO Mark Anderson, whose energy and professionalism have for the past five years ignited and fuelled the achievement.

Living the vision

The community of Fairbridge forms a dedicated team that is true to the organisation's ideals and beliefs. They are committed to making all people feel welcome and are guided by the following precepts:

- ensure that all activities at Fairbridge enhance the vision and ambience of Fairbridge;
- respect, encourage and nurture new ideas;
- actively promote and engage in the process of free and open discussion;
- value-add to each other's work so that each person can grow and enjoy their work;
- be open, honest and clear in resolving any conflicts with each other;
- speak well of each other in public;
- respect and value other people's differences;
- treat each other and visitors at Fairbridge well, no matter how they treat you;
- respect and value Fairbridge's property and other people's property;

- be committed to having fun, recognising and celebrating achievements. (Fairbridge Western Australia 2002a, p. 1)

In the early stages of Fairbridge's Revitalisation Program, Mark Anderson became concerned that, while the vision and guiding principles were clearly articulated in the planning documentation, they were not being 'lived' by the staff and students. As a result, he incorporated Fairbridge's vision and philosophy in the recruitment, training and performance reporting processes, until eventually they permeated both internal and external relationships at Fairbridge. In Mark's words, 'This is a very important aspect of Fairbridge as we strive to live internally what we are doing externally. By our example Fairbridge is clearly demonstrating to others that an inclusive workforce is very effective in meeting business outcomes'.

Robust management

Fairbridge's management functions—planning and decision making, leading, organising and controlling—are very robust. Staff at all levels contribute to the planning process. A Code of Ethics and a Standard of Conduct describe the responsibilities of management, employees and consultants. An atmosphere of openness, transparency and integrity is encouraged.

Risk management planning is a very important component of Fairbridge's business process. A comprehensive 100 000-word *Policy and Procedures Manual* was completed in July 2000 and is used to guide Fairbridge staff when implementing outdoor education programs, environmental and heritage education, training, development and employment programs, and special events at Fairbridge Village.

In 2002 Fairbridge won not only the Western Australian Government's Sport and Recreation Industry Risk Management Best Practice Award but also the Outdoors WA Best Practice in Risk Management Award.

Strategic partnerships

The ongoing collaboration between Fairbridge, the corporate sector, state government agencies, Commonwealth government agencies, and like-minded community organisations is an example of the benefits of a partnership approach in bringing about long-term, sustainable change in both business and the lives of young people and the community. In the past year, the Fairbridge management team has ensured that Fairbridge Village was part of the many

state government departments' planning processes, among them the following:

- the Peel Tourism Strategy
- the Western Australian Tourism Commission Strategy
- the Shire of Murray Recreation Plan
- the Peel Region Recreation Plan
- *Peel Away the Mask*, a report by the Peel Development Commission
- *Peel Sustainable Development Plan 2020: a discussion paper*
- the Western Australian Government's *Case Studies in Sustainability: hope for the future in Western Australia*.

This involvement has been imperative: it ensures that the Village is integrated into the state's planning strategies and the resource allocation that often accompanies such strategies.

As part of its partnership approach, in 2003 Fairbridge ran its first pilot joint venture in training with Challenger TAFE in the building construction area and is now running its construction and renovation program as a training and employment program for Indigenous young people.

A focus on quality

Fairbridge services are delivered with a real balance of 'head, heart and soul'. The staff are skilful, patient, supportive, professional and empathic. Most importantly, Fairbridge believes that everyone, no matter what their level of ability, has the right to work if they choose to.

Its reputation as a quality organisation has helped Fairbridge keep the increase in public liability insurance down as much as possible. Many organisations are unable to obtain public liability insurance, so securing the appropriate level of insurance is testimony to Fairbridge's profile and safe service delivery.

Targeted marketing

With two separate business streams—tourism and youth training marketing—Fairbridge has developed mechanisms for successfully targeting customers. Marketing tools include the publication of a newsletter and brochures, the development of a website, and the creation of a Visitors Interpretation and Reception Centre.

Support of like-minded individuals and organisations

From its inception until the present Fairbridge has supported the continued involvement of Old Fairbridgians and their families, former staff members, and associated individuals from throughout Australia and the world. The Old Fairbridgians' Association currently has over 300 members. The Friends of Fairbridge group continues to grow and develop, with a large and enthusiastic group of volunteers coming in each week to work together to support Fairbridge's efforts with young people. Volunteers are involved in practical development projects—for example, restoration and creation of gardens—and in sharing their skills and expertise with young people participating in on-site education, training and employment programs. About 170 volunteers assist each year in a range of areas.

Fairbridge is opportunity obsessive in that it is always looking for more like-minded people and organisations to be involved in its vision and work.

A long-term commitment to the environment

As part of the Redevelopment Program, Fairbridge Village is being fitted with renewable technologies, in line with the organisation's environmental commitment. This has involved the installation of a 60-kilowatt wind turbine, which was opened by the Prime Minister in 2002, along with photovoltaic renewable energy systems and a bio-diesel project, making the heritage-listed buildings more solar passive as they are redeveloped. A variety of environmental initiatives related to the farm, native bush and river surrounding the Village have been implemented. This ranges from streamlining to establishing native wildlife corridors and woody debris to bring back native fish species and establishing artificial wetlands, nutrient stripping corridors, and alternative sustainable farming practices. Fairbridge will soon be joining the International Eco-Village Network and will be the only heritage village in the world retro-fitted with renewable technologies.

Passion, idealism and higher purpose

Mark Anderson says that a major reason for Fairbridge's success over nearly 100 years is:

... having a vision that was to create a 'better world', particularly for young people. Having a vision that was based on a 'higher principle', rather than just increasing the bottom line, provides the impetus to keep going when things get tough and you cannot see any way forward. Taking time out to listen to

the stories of young people and how your work is changing their lives fuels that ongoing drive and passion for the work.

He is convinced that businesses in rural Australia should be concerned not just with profit but also with 'building on the strength of the community and working with the community to achieve sustainability'.

Fairbridge delivers a range of programs to young people who are disadvantaged through misfortune, poverty, disability, or a sense of distress or helplessness. Its passion and commitment to young people extend beyond the boundaries of the Village: it aims to foster a sense of community that is inclusive and supportive of *all* young people and to build the capacity of the community and families in it.

Fairbridge is only at the beginning of developing its capacity, and successful completion of the Redevelopment Program will secure the future of the organisation, bringing significant benefit to young people, Western Australia and Australia. The Redevelopment Program will also deliver sustainable development in a rural area, continue to attract investment, increase jobs, and improve the access of young people and the rural community to a range of youth, community, educational, training and employment services and events. Most importantly, it will encourage the community to live more inclusively.

Advice to others contemplating rural business creation

Fairbridge CEO Mark Anderson has a range of simple yet powerful pointers to rural success:

- Have a higher purpose that underpins the business dream. Do not limit the vision, dream a bit, work out the ideal first then plan how to get there. Strategic plans and business plans are imperative to business success. Keep them simple, readable and usable. Ensure you have targets, timelines and indicators so you clearly know where you are and where you should be and why. They are not the Bible, they can adapt and change to the times, and they are a working document.
- Stick to your vision but be willing to adapt and change with the times while not losing your core values. Be willing to risk and make mistakes as long as you have clearly assessed the ramifications first. Learn from the mistakes, adapt and change to become more

resilient. If something is not working, be willing to close it down.

- Trial first, evaluate, adapt, trial again, evaluate, adapt then implement. Do not just take ideas and concepts from elsewhere and implement them. Trial them first, see if they fit, be willing to adapt them to fit and, if not, be willing to not continue with the strategy.
- Do not just employ staff with the skills you need. Employ staff who are in line with the vision and values of your organisation and who get enthused with what you are trying to create—the higher purpose. Skills can be taught; it is often harder to teach things of the heart.

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Goondiwindi Co-operative Society



The Goondiwindi Co-operative Society Ltd is a community retail venture employing over 90 part- and full-time workers and generating an annual turnover of more than \$16 million. It has had a significant impact, both economically and socially, in a far-west Queensland community of 5000 people and has become a national model for successful rural cooperative activity. The locals think of it as ‘the city supermarket that’s in the country’. The appeal of the business is also captured by the proud quote on the outlet’s windows—‘owned by the people, for the people’.

The story so far ...

Goondiwindi is on the Queensland – New South Wales border at the junction of the Newell, Cunningham, Leichhardt, Barwon and Bruxner Highways. It is a progressive town with an exciting future. In addition to the 5000 people in the town, 6000 live in the surrounding Waggamba and Moree Plains shires; for them Goondiwindi is an important centre for business, shopping and entertainment. Most rural towns are vulnerable to economic and climatic fluctuations and dependent on the certainty of local businesses for employment and security: in Goondiwindi, members of the community often turn to their Co-operative for sanctuary and as a meeting place.

Local landholders established the original Goondiwindi Co-operative Society Ltd in 1946 as an all-purpose general store. Formed to give locals a ‘city-like’ experience in shopping and to overcome the problem of distance to larger regional centres, it quickly became a centrepiece for local and regional trading and for meeting the needs of a growing rural community. Jack Plimmer (who served as chairman of the organisation for 25 years) and Bill Gilbert were the driving force behind the decision to form the Co-operative.

In those early years the Co-operative had four main departments—grocery, menswear, hardware and haberdashery. The growing clientele meant, however, that the existing store could not cope with demand and was forced to expand. This was the beginning of a series of improvements and renovations aimed at improving service. Continuous upgrading and expansion has become a hallmark of the Co-operative throughout its 58 years of operation. In the words of Goondiwindi’s mayor, Councillor Tom Sullivan, ‘The business has come a long way since they purchased the store in Marshall Street in 1946. It’s something that all the community is proud of’.

Today Goondiwindi’s million-dollar award-winning supermarket provides an outstanding range of fresh food, vegetables, delicatessen items and other products and is continually seeking to improve and extend its range of services. Giving city service in the bush and making sure that local money stays in Goondiwindi are the prime motivation for the Co-operative’s strategy and commitment to the local community (*Goondiwindi Argus*, August 2002, p. 1). According to general manager Gary Aberdeen,

We’re proud of what we’ve achieved here, but that doesn’t mean we’ll rest on our laurels. It’s important that we keep up with the latest grocery retail trends. By doing that we not only give our customers the best service we can; we also help ensure that one of the major food chains doesn’t come to town. The Co-op belongs to the people of Goondiwindi and this district. Employees are local people. We employ local builders and contractors for any work and that way all the money stays in town. If a major chain comes to town that won’t necessarily be the case.

Since 1946 the Co-operative has experienced continuous growth in terms of its product range and services, sales, employment and retail space. Since 1980 it has consistently returned financial benefits to shareholders and dividends to the community—in contrast to the performance of many other rural cooperatives.



The impact

The Goondiwindi Co-operative is a remarkable success story. In the 2001–02 annual report Gary Aberdeen stated that the year was successful and memorable: ‘After 56 years of progress, the Co-operative is in the strongest position it has ever been and well able to meet the challenges ahead’. Its success can be measured particularly in terms of local employment and the impact on the community.

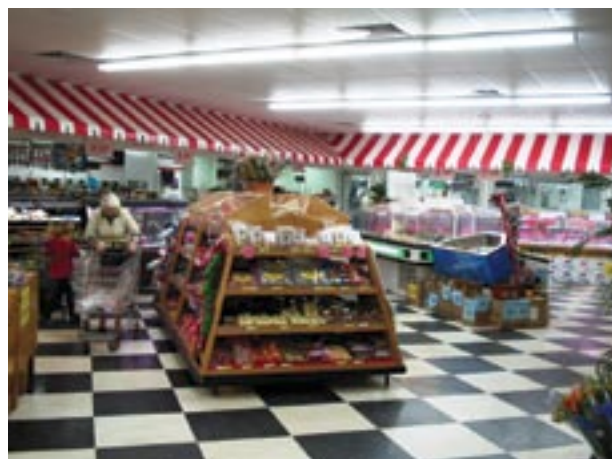
Local employment

The Co-operative continues to be a marvellous employment story for a small rural community. At present it employs 90 people and has an annual wage bill of more than \$1.6 million, making it one of the biggest employers in the town and the region. The community relies on the Co-operative not only for its retail service but also as an important contributor to the local economy. It is a significant feature of the town’s development and a symbol of rural Australia meeting the challenges of today.

Impact on the local community

Financially, the Co-operative continues to produce remarkable figures. Its turnover for 2001–02 was \$16 703 805, resulting in a net profit of \$294 354, which was passed on to shareholders and as customer savings in the form of rebates and frequent-shopping points. There is also a direct impact on the local community by means of a financial return to local organisations. ‘Our commitment, the Co-op principle of distributing funds and benefits to many schools and sporting bodies throughout the district, once again has been successful, with \$366 678 being distributed, including a 3 per cent rebate paid to shareholders,’ said chairman Eddie Billings.

Among the Goondiwindi Co-operative’s incentives for the local community is its excellent frequent-shopper reward system. The Frequent Shopper Club costs nothing to join and has been operating for more than seven years. During this time \$1.7 million has been rebated through store vouchers back to customers. More than \$91 000 has been distributed to community groups; in 2001–02 this involved donations to 60 local organisations.



Display area

The Club entitles people to a rebate on their store purchases. Each dollar spent equals one point and after reaching 2000 points a customer is entitled to a voucher. Many customers have their points calculated for Christmas. Non-shareholders receive \$20 for every 2000 points; shareholders receive \$60 for every 2000 points; aged pensioners and veterans receive \$100 for every 2000 points; and the community, through nominated schools, clubs and charities, receives \$50 for every 2000 points.

The success factors

Success factors

- Quality customer service
- Relationship with the local community
- Management

According to general manager Gary Aberdeen, fundamental to the success of the Goondiwindi Co-operative is its ‘belief in maximising returns to our shareholders and community both today and in the future’. This is summarised in the stated goals of the Co-operative:

- meet customer and supermarket expectations
- promote excellence in staff performance
- attract and retain customers
- financially sound and efficient
- make each day fantastic for staff and customers.

Three key success factors underpin these goals.

Quality customer service

The Co-operative is proud of its practical approach to customer service, which includes:

- the Frequent Shopper Club
- a Christmas Club
- a Birthday Club for under 12s
- a children's play area
- phone, fax or email orders
- home deliveries
- a fuel-for-food offer.

Quality customer service is at the heart of the Co-operative's business. Using the Retailer Training Institute, all staff, including management, receive regular training in areas such as customer service and relations, food handling, and general retail management. The training is nationally accredited and all skills acquired are transferable, allowing staff members to improve their employability. This reflects the continued commitment of the Co-operative's board and management to provide the best possible performance for trading and customer relations and to meet the challenge of the new, and only, local competition in the form of a Bi-Lo supermarket. The training is ongoing and is varied according to the needs identified by management.

As part of its continuous improvement strategy, the Co-operative introduced sophisticated scanners in 2001. This was only the first of many planned changes. Co-operative chairman Eddie Billings said the scanners were just 'another initiative in the Co-operative's plan to improve service. The ultimate aim of the plan was to ensure that the Co-op could safely enter the twenty-first century knowing that they could compete with larger stores'. The customer response has been overwhelmingly positive, with many commenting that the scanners have greatly improved service and reduced their time spent shopping (*Goondiwindi Argus*, October 2001, p. 3).

The store recently won a national award for the third successive year, being chosen as 2002 Retailer of the Year for Australian United Retailers. It was judged on the overall standards of the store and what is offered to the customers. Gary Aberdeen says,

That means we are the best in the group. We are proud to have won [the award]. Each year the stores in the group are judged and we have won it three times in a row now. Everything counts, especially the quality and service we provide. Also whether the shelves are stocked, the presentation of the staff

and a complete range of departments catering for customers.

The Co-operative has been recognised on several occasions for its quality and customer service and is a leading light in Australian United Retailers group operations across three states.



Relationship with the local community

Fundamental to the continuing success of the Goondiwindi Co-operative has been its close relationship with the local community. 'Thanks Gundy, we couldn't have done it without you' was the message of Co-operative chairman Eddie Billing in the local newspaper after another successful financial year in 2001–02 (*Goondiwindi Argus*, August 2002, p. 1). Eddie went on to explain this simple, yet powerful, business–community partnership:

We should never lose sight that this is a local business, employing local people, which exists simply for the good of this community. Every cent we make goes back into the community, by way of wages, donations and rebates to our members. It isn't hard to understand the wisdom of shopping locally.

Management

Without doubt, the contribution of board members and professional management is a key success factor for the Co-operative. Board members take their responsibilities seriously and are committed to improving the range and quality of service to the community. The contribution of Gary Aberdeen, general manager and company secretary since 1994, should be noted: with over 25 years' experience in the retail trade, Gary brings the business acumen needed to survive in today's tough retail market.

Advice to others contemplating rural business creation

In the words of general manager Gary Aberdeen,

The key to success is responding to the retail needs and demands of customers and continually emphasising customer service. We never take our customers for granted. We have to continually plan and develop our goals and objectives so that the service we provide is second to none. With the establishment of a rival retail business, there is no room for complacency.

Gary's passion for innovation and improvement is reflected in his response to praise being given to the business: 'Don't tell me what I am doing well; tell me what can I could do better'.

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Green Grove Licorice Factory



The Green Grove Licorice Factory is the only organic licorice maker in Australia and one of only three in the world. Located in Junee, in south-western New South Wales, the Factory has established not only a successful value-adding enterprise, distributing its products across the country, but also a unique local tourism attraction occupying a prominent four-storey heritage mill. The Factory's story is an illustration of a family's belief in organics, value-adding and their local community and of vision, focus and exceptional customer service.

The story so far ...

The Druce family started farming at Ardlethan in 1918. In 1962 Alan Druce decided to try chemical-free farming, becoming the first organic farmer in Australia. He had been inspired by Rachel Carson and her book *Silent Spring*. Alan is still one of that small group of broad-acre organic farmers in Australia. Organic farming is based on nurturing the ecology of the land and treating it as an intricate, interdependent and fragile system that needs to be understood and cared for. Alan's decision back in 1962 was a radical one: there was little support and research available, and organic produce attracted no financial premium. 'Organic methods were considered weird and ridiculous in the 60s and fanatical and fanciful in the 70s, but by the 90s organic farming was cutting-edge and trendy. It is now the fastest growing section of the food industry,' says Alan. Now in their fourth generation on Green Grove, the Druce family raises sheep and cattle as well as growing organic grains. Alan is still active in the management of the Green Grove farm.

In the late 70s, Alan bought a hand-operated grist mill to take advantage of the organic grain they were producing. Friends started asking for their 'special grain' and hand-ground flour. As a result, and in an effort to add value to their wheat, they bought flour mill equipment and set it up in the barn. This proved to be a very dusty and unhygienic environment, however, so they later contracted another mill to grind their wheat. When the owners of this mill became aware of the volume of grain Green Grove was having ground, they approached Green Grove to form a partnership.

Green Grove Organics was founded in 1998 as a company separate from the farm, with Alan's son Neil as managing director. The partnership bought the historic Junee Flour Mill to stonegrind the wheat. The Junee Flour Mill had been built in 1935 and

continued as a working mill until 1974. After that, the building gradually became derelict, and it was almost destroyed by fire in 1990. The partnership felt it was a suitable building in an attractive location for their organic flour mill.



The mill

Over the next year Neil found that the values and business direction of the partners were not compatible with those of Green Grove Organics and decided to end the partnership. In addition, the partners went into bankruptcy during their first year. Neil has learned to be very careful with any future partnerships; as he bluntly puts it, 'Otherwise it's misery'.

Green Grove Organics was re-formed in 1999 and spent the following year recovering from the unsuccessful partnership. It had originally purchased the mill, land and buildings, while the partners purchased the stone grinder. With the dissolution of the partnership, Green Grove Organics had to buy the grinder. During this time they were producing stoneground organic flour and bread mixes at the mill and had contracted out the production of pasta and biscuits.



Neil Druce and his son

During the establishment phase Neil explored a variety of business opportunities, read about trends, and looked at various options for adding more value to the flour. Green Grove farm was already value-adding by grinding the wheat into flour, but Neil wanted to take it a step further. His research indicated to him that people were looking for health foods with a good taste and wanted to 'go back to the old times'. They seemed to feel that 'if people ate it 100 or 1000 years ago then we want it'. This trend suited the healthy and environmentally friendly image of Green Grove's organic products and the historic nature of the old Junee Flour Mill. Neil considered the obvious products made from flour—biscuits, baked goods and cereals—but licorice became the obvious choice. As Neil says, 'Licorice is a health food that's really good for you and tastes good, too'. Two other factors were also important in the decision. First, biscuit and cereal makers are relatively common and the competition is fierce, but there are few licorice makers: the Green Grove Licorice Factory is the only organic licorice maker in Australia and one of only three in the world. Second, making an 'old-fashioned' product in the historic mill would lend itself to tourism.

Launching a great idea proved a difficult and frustrating experience. Bank managers and regional development officers were sceptical about the potential of the venture, doubting its viability. Further, Neil's inquiries about the cost of purchasing the necessary equipment resulted in quotes of between \$2 and \$3 million. But Neil believed in his idea and explored other production options. He opted for a subcontracting arrangement with a Sydney company that was willing to produce his licorice. Within a year he had the opportunity to buy the Sydney works and move the equipment to Junee—for a tenth of the cost of those initial quotes. 'Luck does sometimes play a part,' he says. Having bought the mill from his former

partners, Neil needed outside funding to buy the equipment: these funds were provided by a friend who Neil describes as an 'angel investor' and who still has a hands-off advisory role with Green Grove Organics.

In keeping with its historic and natural themes, in 2000 Green Grove Organics discovered spelt, a grain grown in Egypt more than 9000 years ago. Spelt has a number of 'healthful' properties, among them being easy to digest and being high in crude fibre. It is often used by people who cannot have wheat products because of gluten intolerance. Neil started to grow organic spelt on the farm and to make spelt flour and other products at the mill. With the addition of the licorice works in 2001, they started making spelt licorice.

The newest product to join the Green Grove Organics range was chocolate-covered licorice. After experimenting with various combinations, they found that chocolate complements the licorice well. The chocolate-coating process had initially been contracted out to another company, but from June 2003 Green Grove Organics added a chocolate factory to the mill.

Tourism and the opportunity of a mill tour and a cafe then became components of Green Grove Licorice Factory. Cafe de Mill, with its decor reflecting the 1930s Depression era, provided a unique environment for sampling and buying the mill's products.

The impact

During its short life the Green Grove Licorice Factory has had a major impact on the local community and economy and on the organics industry. This is particularly reflected in community confidence, local employment, the organic agriculture and food sector, and local tourism.

Community confidence

The Flour Mill has been the first major industry to start up in Junee since the 1930s Depression, and it has brought to the town a renewed sense of confidence. Similarly, the Licorice Factory is helping to increase that sense of confidence after the recent slump in agriculture. Speaking about the redevelopment of the mill, Lola Cummins, the mayor of Junee, says, 'Neil Druce has turned what was once something to be ashamed of into something our community is very proud of'.

Employment

The Green Grove Licorice Factory employs eight people full time and several others on a part-time or casual basis. Green Grove Organics has created local jobs, especially for those who do not want to travel to Wagga Wagga for work. As one staff member said, 'It's hard to get a job in Junee. I worked in Wagga and I thought there is no way in the world I'd get a job in Junee'. The casual and part-time jobs are an excellent working arrangement, especially for women seeking flexibility with their working hours. Since most of the jobs require skills that are easily learnt, this has been a wonderful opportunity for women returning to the workforce after raising their families. Green Grove Organics has found that women with families are loyal, stable employees with a strong work ethic. Furthermore, women generally have better fine motor skills, which are needed for some of the jobs around the factory. During times of drought, when agriculture is in a slump, the extra work for women provides much-needed family income.

The mill has required extensive renovation, and the factory is constantly growing and changing. Green Grove Organics contracts out this improvement work to local businesses, thus increasing local employment and adding more money to the local economy.



Packaging the licorice

The organic agriculture and food sector

Green Grove Organics has had an impact on the organic food industry in several ways:

- It has contributed greatly to improving the profile of organic products.
- The licorice is proof that organic produce can taste good. As a result, people are producing more organic goods, such as organic olive oil.
- When growers are interested in going organic, Green Grove Organics is willing to spend time with them, work with them, bond with them, and help them bounce ideas around.

Tourism

Green Grove Organics has been an important contributor to Junee's growing tourism industry. In 1999, the year the mill opened, the business attracted a mere 500 visitors; more than 8000 came in 2003. In addition, in the last 12 months the mill has experienced a 360 per cent increase in tourist numbers and a 390 per cent increase in on-site sales. This represents not only an increase in the number of visitors but also a significant increase in how much they are spending: on-site sales grew from \$4 a person to an average of \$14 a person during that period. Green Grove Organics' tourism goals include 300 visitors daily, or about 110 000 a year, generating \$1.5 million in on-site sales. Ian Armstrong, state parliamentary member for Lachlan says, 'In my extensive experience travelling throughout New South Wales, I can confidently say [Green Grove Organics] is one of the best tourist attractions I have seen ... It is a well run, highly imaginative business and tourist facility'.

The success factors

Green Grove Organics attributes its success thus far to six main factors.

Success factors

- The growing popularity of organics
- Vision and focus
- A focus on value adding
- Staff management
- Luck
- Angel funding
- Exceptional customer service

The growing popularity of organics

Organics is the fastest growing sector of the food industry and Alan Druce's enterprise is built on a long involvement with organics.

Vision and focus

Neil developed his vision by researching the trends and staying focused. He concentrated on what people wanted and what they were looking for, knowing that the most important part of marketing is having the right product. With any new idea he always asks, 'Is this fulfilling our goals?' Green Grove Organics operates on the theme of natural products with an old-time feel, and ideas must fit with these themes. For example, the historic building has been refurbished, always using old-looking timbers. The cafe is decorated in the 1930s Depression style, complete with tables made from old floorboards and railway doors. Green Grove Organics is decorating the factory in the style of an old street scene, with old-style signs, windows, awnings and colours.

A focus on value-adding

The following table shows the difference in value between selling wheat raw and adding value to it in 2001.

Valued-adding with wheat, 2001

Product	Value per tonne (\$)
Wheat	250
Flour	500
Bread mix	1150
Licorice	9000

Staff management

Neil says, 'Success and staff can't be separated. Eighty per cent of the success of Green Grove Organics is due to our staff'. He believes that the staff are the business and that the business can go on without him. In the words of one staff member, 'Neil has this organic dream. We're the team and we're gonna help get him there'. The work environment is fun and friendly. One staff member commented, 'It's so nice to come to work, so relaxing, and there's not a lot of pressure'.

Most of the Green Grove Organics staff are women with families. Their children come to the factory and are welcomed, and work hours are flexible to accommodate family responsibilities. One staff member used the following example to explain how

important family is, 'Neil will remind me that the school carnival is on and I have to go'.

Green Grove Organics also believes in building staff members' self-esteem. It recently held a team development day involving a field trip to Beechworth, in Victoria. During the day Neil worked to push the boundaries on what the employees believed of themselves. Each one had to share with the group their dreams for their life and for the company and say something positive about each other. They found this challenging, but they also appreciated the sense of confidence it gave them—knowing they could do it.



Positive Green Grove Organics staff

By valuing its staff members as people, Green Grove Organics has built a strong sense of loyalty. Neil also tries to instil in them a sense of ownership. Involving them in the decision making means that a variety of perspectives are considered and potential problems can be averted at the start. By consulting them and by sharing their dreams for the company, Neil shows that it is their company as much as his. He encourages them to speak up when they have ideas or see things that would improve the business. And he is working towards a situation where staff will share in the profits. This leadership style and people-centred management has made Green Grove Organics a strong company that people are proud to work for.

Luck

Neil believes that 'the harder you work, the luckier you get' and that 'lucky opportunities don't come up if you're sitting in a corner'.

Angel funding

Green Grove Organics was fortunate to have an 'angel investor' at the right time. This has also given Neil someone with whom he can discuss ideas. They talk

daily so that the gap between their ideas does not widen.

Exceptional customer service

Green Grove Organics believes in building a relationship with the customer and demonstrating integrity. Neil is well aware of simple facts: 'If you upset a customer, they will tell seven people. If you make someone happy, they will tell two people'. For example, in addition to having a quality product, they back it up with a replacement policy. They call their outlets and distributors every two weeks, rather than waiting for them to reorder.

Advice to others contemplating rural business creation

Neil Druce has some very practical advice for aspiring rural business operators:

- *Finance.* Almost everything costs money and the more successful an enterprise becomes, the more money will be required. Sometimes success out of control can actually financially ruin a business. Company finance must be carefully watched from month to month—not just sales figures, but the changes in the balance sheet. Incidentally, banks usually won't lend money until you virtually don't need it. Keep customers in their terms. Customers that don't pay aren't customers.
- *Staff.* Staff are a very important part of a business as they provide the level of service and the quality of product, and they generate the cost of the product to the consumer. The manager must be able to relate to staff and involve them in decision making. If this doesn't happen, the staff will not wholeheartedly back company decisions. Staff also need to be chosen carefully for the job they are suited to. Different people are suited to very different jobs, and if you place them out of their area everyone will be frustrated. If any of your staff think you inherently owe them, bad-mouth the company or lean on things instead of working, they will need warning and maybe, in time, removing from your business.
- *Creativity.* New ventures must follow a demand in the marketplace—something that is needed or wanted and isn't already supplied. Look at wheat, for example. Most sell wheat, some sell flour, some pasta, but very few sell wheat germ as a high-nutrition energy booster, very few make wheat-based glucose, and I believe no one in Australia actually removes the enzymes from

the outside of the wheat straw to produce bread improver.

- *Patience.* Be patient. Most businesses will not return very much before three years of operation. One can't milk the cow until it stands up.
- *Research.* A successful business is usually based on a lot of research and homework that is mostly unseen. It is this research and the studying of trends that sets the business in front of most.
- *The value of tourism.* When beginning a business, never forget the possibility of tourism. Tourism can be a drought-resistant gold mine. For us, licorice puts us on the map, and in the tough times tourism saved us. One of the great things about tourism is that there is no waiting for your money.

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Website www.greengroveorganics.com

Harry Nanya Outback Tours

Harry Nanya Outback Tours, which operates from Wentworth in south-western New South Wales, is an award-winning Aboriginal-owned and -operated enterprise incorporating outback tourism, the manufacture of Aboriginal artefacts, and an arts and crafts retail gallery. Established in 1994 as an outcome of an unemployment training program, the business has become one of the most respected and successful Indigenous tourism operations in Australia. Today it provides 72 work positions in its various sectors. The tour operation involves Aboriginal guides who offer 11 different tours, covering some of the most beautiful and culturally sensitive landscapes in New South Wales, South Australia and Victoria. The Harry Nanya Outback Tours story is one of determination; it is an excellent demonstration of overcoming rural isolation to attract customers and the strong flow-on effect this has had for employment and the local economy.



Tour advertising

The story so far ...

The origins of Harry Nanya Outback Tours lie in a TAFE training course aimed at helping 12 Aboriginal adults obtain employment in the tourism industry. When most of the group failed to find work, Harry Nanya Outback Tours evolved during 1994 and 1995 into a self-help business venture. Discussions between Carnma Aboriginal Corporation, Sunraysia TAFE, the National Parks and Wildlife Service, the Department of Conservation and Land Management and Barkindji elders led to the development of a vision for the enterprise.

Harry Nanya is the name of the last tribal Australian Aboriginal to live in the Wentworth area; he was a local larrikin who killed a fellow tribesman and, to avoid capture by the police, disappeared along with two women into the surrounding country. He managed to elude the police for 30 years. His strength, determination and self-belief are revered today by local Barkindji (river) people. The Barkindji word *nanya* means 'stubborn, ignorant, won't be told' (Gilling 2002, p. R17).

The company began with 12 qualified tour guides and ran tours to the Mungo, Wentworth and Lake Victoria areas using a 13-seater bus. The tours were linked to other Carnma Aboriginal Corporation ventures—the Women's Issues Group (providing catering) and the Harry Mitchell Art and Craft Gallery. Today, Harry Nanya Outback Tours offers 11 different tours lasting from half a day to seven days. The tours travel into New South Wales,

South Australia and Victoria and include trips to Wentworth, Lake Victoria, the Flinders Ranges, and the Sunraysia winery – Mildura region, as well as camping and canoeing trips and performances by the Barkindji Dancers. The company is expanding its services to include Broken Hill, Mootwingee, Kinchega and Menindee Lakes. The tours continue, however, to focus on the nearby Mungo National Park, ancestral land of the Barkindji people and part of the Willandra Lakes World Heritage Area. This region provides not just spectacular scenery but also insights into the culture and lifestyle of what is considered to be 'the longest continual record of Aboriginal life in Australia' (Gillings 2002, p. R16).

Today, the business operates five passenger coaches and employs 31 people directly in the tours component of the business. Another 41 people are employed in Oridgi-Didges (didgeridoo production and sales) and the Henry Mitchell Art and Craft Gallery.

Harry Nanya Outback Tours is managed by a board of seven directors, all of them Aboriginal people or people who identify as Aboriginal. The enterprise was not an instant success: in its early days it was attracting only 10 visitors a month; in the words of Kerry Ziernicki from Carnma, 'This meant we had less than one per cent of the potential market' (Black Business Pty Ltd 2002, p. 10). Kerry recalls, 'The operation was pretty ad hoc, with tours sometimes happening, sometimes not, and the craft shop was



located at the back of the premises on a side street. Unless you knew it was there you'd never find it'. Kerry concluded that the problem lay in the lack of marketing—the total marketing budget was limited to \$3000 and only A4 photocopied flyers were used—and the absence of a business plan. Without Community Development Employment Program funding, the company would not have been able to remain in business.

Kerry, who has a background in tourism, was appointed Carnma business and general manager in 1996 and set about tackling both these problems. A 10-year business plan and a marketing strategy were developed, and the potential of the business began to emerge. The business has surpassed all expectations by reaching 98 per cent of its potential market—a definite improvement over the one per cent ten years ago,' says Kerry.

The impact

Harry Nanya Outback Tours has had a number of remarkable impacts, particularly in terms of local employment, tourism development, and community pride and self-esteem.

Local employment creation

The business's direct local Indigenous employment is very impressive—as noted, 31 people in the tours component and 41 working in Oridgi-Didges and the Harry Mitchell Arts and Crafts Gallery. A review of the company by the Australian Heritage Commission and the Research Centre for Sustainable Tourism revealed a further 110 indirect employment positions (Australian Heritage Commission & Department of Industry, Tourism and Resources 2001, p. 44). Direct employment positions within the tours component now include tour guides, bus drivers, helicopter pilots and administrators. It is also worth noting that the vast proportion of those employed in the tours component are qualified, with a Certificate 3 or 4 in Tourism.

Tourism development

The business's growth has been most impressive: from a mere 15.2 passengers a month in 1996–97, it accelerated to 465 a month in 1999–2000 and continues to grow rapidly (Australian Heritage Commission & Department of Industry, Tourism and Resources 2001, p. 45). This success has been acknowledged: the business received the Tourism Council Australia's NSW Award of Distinction for Excellence in Tourism in 2000, the Golden Tourism Award and Winners of the Tourism Transport Operators Category in the Mildura Murray Outback Tourism Awards in 2001, and the NSW Excellence in Tourism 2002 Award for Business Excellence in the Aboriginal and Torres Islander Categories.

Les Ahoy, the Aboriginal tourism coordinator of Tourism New South Wales, says the company has 'become a role model for other Indigenous tour operators, not only in New South Wales but also nationally'. He congratulates them for 'their high level of commitment and professionalism'. He also believes that the success of his organisation's *Aboriginal Cultural Experiences Manual* is due in large part to the inclusion of Harry Nanya Outback Tours.

Community pride and self-esteem

Kerry Ziernicki encapsulated the impact of Harry Nanya Outback Tours on community pride and self-esteem:

I truly believe the business success has been for the better of the whole community. For example, a definite reduction in the number of crimes and teenage pregnancy, and in their place there has been an increase in community hope, self-esteem, and now young people can see there is an opportunity for them to build a future for themselves. (Black Business Pty Ltd 2002, p. 11).

The business has also received a National Aboriginal and Islander Day Observance Committee Award for Building Pride in the Community.

The success factors

Staff, local economic development practitioners and New South Wales tourism operators all agree on five essential factors that have allowed Harry Nanya Outback Tours to achieve its business success.

Success factors

- A unique product
- Professionalism
- Determination and persistence
- Partnership arrangements
- Business planning and marketing strategies

A unique product

Harry Nanya Outback Tours operates in one of the most scenic and culturally rich regions of Australia. Tourists, especially international visitors, are increasingly seeking the opportunity to see and hear about Indigenous heritage and culture. As noted, Mungo National Park contains 'the longest continuous record of Aboriginal life in Australia', dating back 40 000 to 60 000 years. According to Gilling, 'Buried among the wandering dunes are the bones of giant extinct marsupials, the scorched remains of ancient campfires and the suppers cooked on them, as well as stone tools and artefacts' (2002, pp. R16–R17). Lake Victoria is home to over 16 000 burial sites of Aboriginal remains.

Management and the guides of Harry Nanya Outback Tours have developed an extremely appealing tourism experience around this unique Aboriginal heritage product, integrating it with the natural flora and fauna and European pastoral history.

Les Ahoy further explains the business's success:

The success of Harry Nanya Outback Tours, I believe, comes from the personal interaction between the guides, the participants and the local Aboriginal people. This is also indicated in the many comments and articles that have been released from both domestic and international journalists.

Providing an interesting, appropriate and personal connection with local Aboriginal people is a vital component of the interpretative experience offered. The Australian Heritage Commission and the Department of Industry, Tourism and Resources noted this:

Their promotional material emphasises the unique Aboriginal angle of their product: who better to tell the story of this ancient landscape than the traditional caretakers of this area? Their knowledge has not come from books, but has been passed down from person to person, from generation to generation. You hear the story first hand. (2001, p. 4)



Mungo National Park

Professionalism

Numerous journal and magazine articles (for example, Simmons 1998b, Gilling 2002, Black Business Pty Ltd 2002) comment on the professionalism of the company's management and tour guides. After a familiarisation tour, Colin Bransgrove, director of industry development for Tourism New South Wales, wrote, 'We were particularly impressed by the guiding of Graham Clark. He has a tremendous ability to communicate with his group and his understanding and passion for the land is something we will never forget'.

Harry Nanya Outback Tours upholds quality customer service standards by providing a high level of training for all staff in customer service procedures, completing customer service feedback surveys on all tours, ensuring a policy of 'no arguments, only refunds' if a customer is unhappy, and encouraging comments from clients and business associates. The company prides itself on its emphasis on 'success through service'.

Determination and persistence

Black Business captures the attitude of determination and persistence:

To this day those behind New South Wales' Harry Nanya Outback Tours refuse to give in to the critics. After almost ten years of hard-earned success, this wholly Indigenous-owned business knows it has a lot to be proud of. Like the man this company is

named after ... they are full of the same conviction and courage needed to pursue their long-held dream of economic independence for their community. Just like Harry, who represents the old folk standing up for what they believe in, the business team refuses to give in. They too are *nanya* (Barkindji for stubborn!). (2002, p. 10)

During the early days, when visitor numbers were so low, company management and guides were determined to succeed. Even today, the business is the subject of criticism from ‘all corners of the Wentworth community—Indigenous, non-Indigenous, local businesses feeling threatened and competitors convinced they could do a better job’ (Black Business Pty Ltd 2002, p. 11). But Kerry Ziernicki summarised their spirit and approach to this challenge: ‘I think we have come to accept that coping flack and the “tall poppy” syndrome are just part of life. All you can do is promote the successes, acknowledge mistakes, be open to meet with your detractors and be clear of your message’ (Black Business Pty Ltd 2002, p. 11).

Partnership arrangements

Harry Nanya Outback Tours has sought to establish partnership arrangements with other regional businesses. Employees have had meetings with all accommodation providers in Wentworth and negotiated special prices. The business currently markets, with a special brochure, a package deal with the Wentworth Grand Resort, a luxury accommodation provider. It also incorporates transfers in its packages because it recognises the difficulty for people who do not drive their own vehicles to the region—backpackers and rail, bus and air travellers.

The business also recognises the benefits to be derived from being active in regional, state and national tourism associations. It is a member of the Murray Outback Tourism Association, the Aboriginal Traders Alliance, the Broken Hill Regional Tourist Association, the Association of Aboriginal Tourism for New South Wales, the Inbound Tourism Organisation of Australia, the Tourism Council of Australia and the Australian Tourism Export Council.

In addition, it is committed to strengthening Indigenous participation in the tourism and hospitality sector. It maintains strong bonds with local and city universities and training colleges, regularly sponsors work-experience opportunities for Indigenous students, and provides the resources and equipment to Mildura TAFE Koori Unit so that it can run a certificate course in tourism.

Business planning and marketing strategies

Harry Nanya Outback Tours quickly recognised the need to formulate a 10-year business plan and a marketing strategy. In the words of Kerry Ziernicki, this initiative allowed ‘the potential for the company and the touring company to be revealed’. Upon formulation, the plan was put into action and ‘those ventures obstructing the potential success of the touring company were axed and others were streamlined. Harry Nanya Outback Tours was made Carnma’s core business’. Among the key points of the 10-year plan and marketing strategy are the following:

- raising market share from 1 per cent to 90 per cent
- focusing on New South Wales, South Australia and Victoria as the primary points for advertising
- using television as a promotion medium
- developing an attractive website
- establishing working relationships with each state’s Aboriginal tourism development officers
- standardising procedures and systems—for example, the bookings system
- conducting surveys after each tour to build customer service and generate new ideas
- developing relationships with local businesses and providing commission to local accommodation providers for bookings
- meeting the accreditation requirements of the tourism industry
- providing training to new recruits and ongoing staff professional development.

Harry Nanya Outback Tours also made the decision to participate in state and national conferences such as the Australian Tourism Exchange. Initiatives of this kind have generated enormous interest among international tourist wholesalers.

The business regularly monitors its customer base and ‘prides itself in the ability to adapt to the current and shifting trends in both the domestic and international markets’ (Harry Nanya Outback Tours 2001, p. 9). The Australian Heritage Commission and the Cooperative Research Centre for Sustainable Tourism believe that, leaving aside the product range, which makes the most of significant heritage features in the region and the natural assets of local people, the business’s success is due to ‘working hard over an extended period to increase market share through marketing and consistent product delivery’ (Australian

Heritage Commission & Department of Industry, Tourism and Resources 2001, p. 45).

Advice to others contemplating rural business creation

Reflecting on the experience of Harry Nanya Outback Tours, Kerry Ziernicki believes its success 'has a lot to do with the team's ability to work with each other and solve problems, their determination to put in the best effort they can muster, their faith in management and loyalty to the entire product'. She also stresses the importance of:

... training, marketing, self-belief, planning and not relying on someone else to do the job for you. It is too important to the local Indigenous people to give up. We simply had to work through the difficult times and believe that we were going to be successful. No one else was going to do it for us.

Harry Nanya himself would be proud of that resilience and determination.

Further information

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Hyden Tourism Development Company



Hyden, a small broadacre farming community of 800 people 340 kilometres east of Perth, views itself as a 'self-help' town, a community that has always been prepared to invest in its future. Three local farmers—Russel Mouritz, Ben Mouritz and the late Philip Lynch, who with their wives and families have for 40 years invested in their town's tourism potential—demonstrate this spirit. They have never drawn financial dividends from their investment, preferring to use all the profits for the continued development of tourism facilities in Hyden.

Their legacy, and return, is the achievement of the best-known small-town tourism success story in Western Australia—the 'Wave Rock Experience' and the substantial local economic and employment gains that have accompanied it. These men have been responsible for Wave Rock's emergence as an internationally recognised phenomenon. Their group, the Hyden Tourism Development Company, and its story are an inspiration for rural cooperation, belief in the benefits of tourism and community commitment.

The story so far ...

Hyden, a small community 340 kilometres east of Perth, was established as a farming district in 1922. It has evolved as a thriving community and, with Wave Rock nearby, is now a major tourist destination, attracting over 130 000 visitors each year.

Hyden has always been a 'self-help' community. It established a Progress Association in 1932 and with this development vehicle has sought to shape its own future. Two writers summarise the state and spirit of Hyden:

Out near the rabbit-proof fence is the small wheatbelt town of Hyden ... the bank opens one day a week, there is no full-time police service or a high school. It is the sort of town that demographers expect to die. The locals have other ideas. (Wahlquist 1999b)

Today, Hyden describes itself as 'thriving', with 99 per cent of its adult population employed largely by privately owned small businesses. It has three football teams, two netball teams and a tennis club with a membership of 120. It has facilities that are the envy of much larger towns, a 60-bed motel and convention centre, a communications hub in its Telecentre, and the prospect of an airfield to land 737 aircraft. Almost all the people of Hyden are involved on one or more volunteer organisations or activities. (Sandilands 1998, p. 5)

In the early 1960s the Hyden Progress Association began to explore ways of helping the increasing number of visitors to Hyden to see a local feature called Wave Rock. At 15 metres high and 110 metres

around, Wave Rock is a granite cliff. *The Hyden Wave Rock Experience* tourism brochure describes its rounded shape as having

been caused by weathering and water erosion which has undercut the base and left a rounded overhang. Water from the springs running down the rock during winter months dissolves minerals, adding to the colouring of the wave. In 1960, crystals from Hyden Rock were dated as being 2700 million years old, amongst the oldest in Australia.

As an attraction, Wave Rock came to international prominence in the early 1960s, when Jay Hodges, a Western Australian school principal and amateur photographer, won the 1963–64 Kodak International Colour Picture Competition at the New York International Fair with a photograph of Wave Rock. The Rock then appeared on the front page of *Walkabout* magazine, and shortly after *National Geographic* published a feature on it.



Wave Rock

During the 1960s Hyden residents also decided they needed a hotel, as a service for both locals and visitors. Hyden had a reputation as a 'town paved with bottle tops': residents used to drink in the streets because the town had only a limited liquor licence.

The Progress Association, under president Russel Mouritz, began pushing

for a hotel in 1962, and a motion at a Progress Association meeting was carried supporting its creation. Ten local farmers formed a committee and agreed to collect an amount of money as an incentive for someone to build a hotel. The sum of £3000 was collected, and two builders operating a company called Rural Homes decided they would build the hotel if the money was lent to them for seven years, interest free. Their offer was accepted and building began.

Midway through construction the builders declared they had run out of money. A crisis meeting of the 10 committee members was called and the builders said they would need a further £7000 to finish—money they were unable to borrow. Local farmer Tom Lynch said, 'I'll bridge the gap' and there and then wrote a cheque for the full amount, saying, 'Get your hammers and saws ... and get back to work!' The committee meeting continued and each member was to pay Tom Lynch £700. The money was lent to the builders for seven years, repayable at £1000 a year after a three-year interest-free period. The next day three members pulled out, so it became £1000 for each member, repayable to Tom. The seven remaining members were Harold and Ralph Clayton, Ben and Russell Mouritz, and Peter, Philip and Tom Lynch. (In due course, the Progress Association was repaid £3000 for another district project, the Hyden District Swimming Pool.)

This all occurred before Wave Rock had become a popular attraction, and the syndicate became a driving force for tourism development. Hyden has always provided opportunities for community contributions.

Today a smaller farmer syndicate exists and, from an initial asbestos-and-tin structure and a few units, the motel has grown into one of the most comfortable and well serviced establishments of its kind in rural Australia. It consists of 57 well-appointed units; three executive suites with spas, bars and private gardens; two restaurants; a bistro; a public bar; and a swimming pool and gym.

When it became evident that many more tourists were being attracted to Wave Rock but not being catered for, the Hyden Progress Association decided to form a Tourism Development Committee in 1967. But selling tourism and Wave Rock infrastructure development proved difficult: many locals, the National Parks and Wildlife Service and the local Kondinin Shire Council were not interested. The Council was adamant that its role was to 'service ratepayers, not tourists'. Support for the development of tourism infrastructure around Wave Rock did, however, come from the Department of Industrial

Development and the Tourism Commission. Eventually, in 1970, Crown land around Wave Rock was leased to the Shire of Kondinin and subleased to the Tourism Development Committee. The motel syndicate also established a roadhouse in 1970.



Russel Mouritz with motel managers Sheenagh and Denis Collins

It became clear, though, that if infrastructure was to be developed and improved the Tourism Committee would have to be responsible for its funding. When the Committee members realised this, seven decided to resign. The remaining five continued to operate—brothers Ben and Russell Mouritz, their brother-in-law Ron Thompson, and John and Philip Lynch, cousins from another pioneering family. Thus began the Hyden Tourism Development Company. In the 1990s the syndicate was reduced to Ben Mouritz, Russel Mouritz and the late Phillip Lynch.

The commitment of these three individuals, their spouses and families is inspirational: at no time have profits been returned as personal dividends; instead, they have been used as development capital to establish comprehensive tourism infrastructure (including the motel and the roadhouse) that is valued today at \$3 million and employs over 60 local people. That personal commitment has also included the farmers' willingness to commit their farms as security and to guarantee loans. Ben Mouritz says their motivation was simple: 'We were a group of people who saw the need to preserve Wave Rock and provide adequate facilities'.

In 1970 it began with the establishment of a caravan park, followed by the Wildlife Zoo, a pioneer memorabilia collection, a lace museum, a drive-in theatre, cabins and hire vans. In 1997–98 Wave Rock Lakeside Resort was established, containing 14 self-contained cottages around Lake Magic. In

1998 Company members and other locals instigated another exciting development—construction of Hyden Regional Airport, to provide access for international visitors who have money but not time. This initiative cost over \$300 000 and has resulted in a facility that attracts up to seven planes a day and can cater for 737s.

Hyden's aim has been to create the Wave Rock Experience—not just visiting a rock, but the enjoyment that comes from a comprehensive set of high-quality tourism initiatives built on the natural, historic and cultural uniqueness of the community.



The motel complex in the heart of Hyden

The impact

Three local farmers who had a vision of diversifying into tourism have made a tremendous contribution to the life of a small town and the tourism industry of Australia.

Employment

In a small town of 400 ratepayers the Hyden Tourism Development Company and members' initiatives have generated 60 part- and full-time jobs. The town prides itself on having 100 per cent employment, and the tourism sector, fostered by the Company, has certainly helped to create this situation. With over 80 per cent of the tourism employment positions involving people aged less than 30 years, it is not surprising that Hyden can field three full football teams and two netball sides, while other small towns lost their teams years ago.

Impact on Hyden

The Hyden Tourism Development Company has provided for others in the community a continuous and consistent reminder of the importance of 'opportunity readiness', risk taking, working together and altruism. According to Kenyon and Black, 'Hyden is probably the most talked about town in Australia' (2001, p. 60). The example of the Company

is reflected in other town initiatives such as the following:

- the Hyden Business Development Company, involving 23 shareholders (including the children of members of the Company) who have each invested \$10 000 to establish new business and employment opportunities. They do not want a financial return; they want a job return, especially for young people
- the Hyden Resource and Telecentre, encompassing telecommunications facilities, a library, an art room, newspaper offices, professional offices, and public meeting rooms
- Wave Rock Prime Beef, a quality-driven cooperative marketing initiative aimed at making Hyden the Beef Capital of the Wheat Belt
- construction, by the managers of the motel, of the Bush Shopping Complex (which now has eight occupying businesses) and the Wildflower Shoppe
- erection of a Hyden Young Singles accommodation complex, including 10 units for people aged less than 30 years
- development of new tourism attractions by young local entrepreneurs—for example, Steve and Angela Bristow-Baom have created the Stargate Observatory and provide guided night sky tours—and planned tourism initiatives such as the Wave Rock Walk Circuit, the Olive Shop, and a cafe and accommodation for backpackers
- continuing expansion of the town's residential area, with the recent release of 12 new building blocks, all of which have access to paved streets, sewerage and underground power.

Hyden is very much a product of the Hyden Progress Association that 40 years ago had the vision and energy to embark on building a comprehensive tourism industry at a time when agriculture was flourishing. The Association's mission statement still reflects that focus:

to nurture local leadership, teamwork, positive vision and initiative, to improve community resources and facilities for all community residents, and to work cooperatively with determination and hard work to ensure that existing and new rural based businesses, tourism and agriculture are modern and productive, and will have a thriving and sustainable long term future within Hyden's vibrant and forward-looking community.



Russel Mouritz

Reflecting on the example of the Hyden Tourism Development Company, Russel Mouritz said, 'Everyone has lifted their aspirations in Hyden. The sky is the limit now for everyone. I couldn't be a happier man'.

Angela Bristow-Baom, co-owner of the Stargate Observatory and president of the Hyden Tourism Promotion Committee, summarised the impact of the Company on Hyden's ever-developing economy and tourism sector:

Without the legwork, vision, strength of character and personal commitment of these guys, Hyden would not be the town it is today ... and for ... people like my husband and me, we certainly would not have been able to have entered the tourism industry without their foundation work. We have been able to piggyback on their pioneering efforts.

Impact on the tourism industry

Hyden and the Hyden Tourism Development Company have set high standards for what a small community can achieve through tourism. Hyden is certainly the best-known and most-respected small-town tourism story in Western Australia—and possibly Australia. It is the hub of a flourishing tourism industry that is worth \$8 million annually to Western Australia. In 1995 its achievements were recognised when it received the Western Australian Tourism Award. Russel Mouritz was awarded the Sir David Brand Medal for Individual Contribution to Tourism in 1997, the WA Senior Business Leaders Award in 1989, and the Western Australian Legend—the Premier's Award to Legends of the Hospitality and Tourism Industry—in 2001. In addition, in 2002 and 2003 he was a nominee for the Citizen of the Year awards and recipient of the Centennial Medal for Services to the Community of Hyden. A source of great pride to the Mouritz family is the Regional Tourism Award and Certificate of Appreciation conferred on Russel and Val for

'their significant contribution to the development of tourism in the Heartlands Region'.

As part of the preparations for Western Australia's 175th anniversary, readers of the *West Australian* newspaper were asked to vote on state icons. Out of 781 icons, Wave Rock recorded the sixth-highest number of votes, another endorsement of its high public profile and popularity.

The success factors

Hyden and the Hyden Tourism Development Company are two interrelated stories that every small town interested in renewal and revitalisation should study. There are six simple, yet powerful messages about their success.

The success factors

- Belief in one's community and its destiny
- A spirit of cooperation
- Vision
- Opportunity obsession and readiness
- Willingness to embrace change
- A commitment to quality

Belief in one's community and its destiny

Founders of the Hyden Business Development Company are all conscious of the faith their forebears had in Hyden when they cleared and settled the district in the early 1920s and are motivated by a desire to ensure that faith becomes reality. This is exemplified by the following comments:

- There's a saying that has kept the Hyden Progress Association going for at least 50 years: 'If you do nothing, nothing will happen. If you do something, something might happen'. (Sandilands 1997, p. 6)
- It's what you do for nothing that makes all the difference. (Sheenagh Collins, manager, Wave Rock Motel)
- We don't say, 'Why don't they do it?' We are they. (Russel Mouritz)

Each member of the Hyden Tourism Development Committee has had extensive volunteer involvement in a host of community and economic development agencies. A notable illustration is Russel Mouritz's 50-year membership of the Hyden Progress Association.

A spirit of cooperation

Russel Mouritz often reflects on the impact of a teacher who taught by stories in the late 1940s. One of the stories related to

a farmer who wanted to get rid of pink and grey galahs, and painted glue all over a tree where they often rested. The galahs settled on the tree and found themselves stuck. They all pulled in different directions to free themselves, but to no avail. Then one of the galahs yelled, 'Let's work together, on the count of three, let's flap in unison'. As they flapped together, they pulled that tree out of the ground and flew away.

On the day of his retirement that teacher told the students at assembly, 'If you want to achieve in life and make a difference, you have to do it together'. Russel Mouritz and many of his generation have not forgotten the teacher's story and his parting advice. The Hyden Tourism Development Company is a wonderful illustration of 'cooperation in action'.

Vision

Jane Mouritz, winner of the 2002 Outstanding Australian Rural Leader Award, captured the vision of the Hyden Tourism Development Company with these words:

They have always been ahead of the community, local government and the tourism development experts in terms of what tourists are seeking and regarding tourism trends. They have always been in touch with the grassroots, always chatting up visitors, and subsequently able to perceive what was needed and what would work.

The Company has also been a pioneer in terms of practices that contribute to healthy tourism development. Over 20 years ago they were implementing behaviours that only recently have been viewed as innovative, among them:

- consulting with local Indigenous people in a respectful manner
- working regionally—for example, liaising with Norseman in relation to a Norseman–Hyden road
- developing a comprehensive 'tourism experience', rather than depending on one attraction.

Jane Mouritz summarises the outcome of the Company's energy and commitment:

Wave Rock might still be one of many unknown granite sites that abound in Western Australia if Russel and other members of the Hyden Tourism

Development Company hadn't had the vision and the drive to build this inkling of opportunity into the world-renowned tourism icon that it is today ... they are recognised as a key example for 'do-it-yourself' tourism development, and continue to be an inspiration to others striving for progress in rural community and rural, eco and heritage development.

A poem by Andre Day is prominent at the Wave Rock Motel, and captures the spirit of the Company:

Be a Winner

Everyone's a winner,
If that is what they choose,
Unless their choice is not to win,
Then of course they lose.

Winners always have ideas,
While losers fix the blame,
The two might seem to be alike,
They sure don't think the same.

All winners have a dream,
Of what they want to do,
Then plan a life to reach their goal,
To make their dream come true.

Losers see a problem,
In every good idea,
All a winner sees is another chance,
To further their career.

—Andre Day

Opportunity obsession and readiness

Harry Butler, the famous Western Australian environmentalist, spoke of Hyden's opportunity obsession and readiness: 'Hyden is a classic example of a rural community that has grabbed an opportunity and used it to the hilt' (Kenyon & Black 2001, p. 62). The Hyden Tourism Development Company became a reality when agriculture was at its peak in terms of returns. Hyden's tourism achievement is the consequence of the vision and opportunity readiness of the area's farmers, who very early saw the value of diversification and its ability to create meaningful employment for young people. And that opportunity obsession has not been restricted to Wave Rock: it has built the comprehensive Wave Rock Experience.

Being 'opportunity ready' has meant that all members of the Company have always 'had their ear to the ground and antennas up' in learning about the needs and desires of the visitor. They have sought to be led by the market. They continue to spend time with visitors to Hyden, almost daily. They talk with them

and learn about their changing needs, always trying to find ways of improving facilities and services. They pride themselves on being led 'by the questions people ask', opinions shared, and providing the service and experiences expected by today's tourists.

Willingness to embrace change

Tourism was not a preoccupation of many Western Australian farmers and town clerks in the early 1960s. Jane Mouritz (2003, p. 3) describes the mood of the day:

Agriculture—Hyden people are farmers not tour guides!

Shire—serving a rural town, not a holiday resort!

Hyden business—here for locals in ordinary hours.

Members of the Hyden Tourism Development Company challenged those attitudes. According to Jane, tourism was almost non-existent in Hyden until 1967, when Russel Mouritz, as president of the Hyden Tourism Progress Association, voiced his concern that 'Hyden had nothing to service visitors' needs—no public toilets, no camping facilities, no information signs or maps, and no complimentary entertainment'.

Russel remembers his father's advice: 'Russel, when you go to town, don't hang your brains on the fence, take them with you'. According to Jane,

The persistent and forthright ways of Russel and other company members have caused them to be unpopular with people of less vision, yet they have been prepared to take risks and remain committed to what they believe is in the interests of Hyden, and our district is today enjoying many benefits that would not otherwise have come our way.

Company members recall many occasions when they have had to cope with scepticism and outright opposition. Ben Mouritz still has correspondence from a local government official who, when the shire wrote to inform the group of their sublease financial responsibilities relating to the caravan park development, finished the note with 'and best of luck with your white elephant!' Russel Mouritz reflects on the building of the motel and a certain electrician who constantly said 'You'll go broke' and insisted on weekly payments.

A commitment to quality

Early in the life of the Company, members adopted the principle of 'what we do, we'll do well'. Jane Mouritz says,

Quality, comfort and service have always been the golden rules of the Company. They insist that standards should not be compromised because we live where we live. Their vision culminated in the building of the luxurious Wave Rock Motel, with restaurant facilities capable of serving 200 guests and conference facilities surpassed nowhere in rural Western Australia.

Sheenagh Collins, manager of the Wave Rock Motel reinforces that view: 'We will not compromise on quality because we live in the country'.

Advice to others contemplating rural business creation

Looking back on 40 years of community enterprise experience, Russel Mouritz simply advises, 'Do your homework, walk your talk, aim high, and never, never give up'.

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Jah Roc Mill Gallery



In 1993, when friends David Paris and Gary Bennett bought the Old York Flour Mill, east of Perth, the building had been derelict since ceasing operations in 1967. Today, David and Gary have transformed the mill into the home for their multi-award winning business, Jah Roc Mill Gallery, and they have become one of the most respected and influential furniture designer-maker teams in Australia. The business is experiencing average annual growth of 25 per cent, employs 18 people, attracts 50 000 visitors a year, and has recently received its 32nd award. It has also created an 'incubator' environment for another 11 businesses, employing an additional 20 staff.

Jah Roc's impact on the small Wheat Belt town of York has been enormous in terms of economic, employment and tourism benefits. This is a story of persistence, a strong work ethic, vision, learning, customer service, and commitment to quality.

The story so far ...

Gary Bennett and David Paris were members of 'Bob Hawke's Surf Team' when they first bumped into each other in 1982, while searching for spare parts for their old surfers' wagons in a wrecker's yard in Nambour, Queensland. Gary was an apprentice carpenter who had been on a working holiday in Queensland and David was a cabinetmaker. Both were originally from Western Australia and had three particular things in common—surfing, mutual friends, and a violent dislike of the education system. A strong friendship developed, but eventually 'the party' ended and Gary and David went their separate ways. David went overseas for three years and Gary continued his journey around Australia, stopping to help Shirley Strachan (of Skyhooks and *Better Homes and Gardens* fame) build a cedar and oregon surf shop on Victoria's Phillip Island.

It was not until 1989 that Gary and David reconnected and started building Jah Roc into what it is today. Gary had started Jah Roc in 1987, in his backyard shed in the Perth beachside suburb of Scarborough, and was making works hewn from hand-split pieces of Toodyay stone and old bits of jarrah salvaged from building sites—hence the name Jah Roc (jarrah and rock). In 1988 he moved the business to Osborne Park, renting the rear of a shed. As his business grew, Gary realised he needed help: his artistic talents were excellent but he lacked organisational skills. At this point David returned from his travels and decided to buy into Jah Roc, and in this way the partnership was formed. David also

became excited about Gary's sister Joanne, married her, and so established a family partnership!

With David's cabinetmaking and organisational skills, Jah Roc Kitchens was established. Eighty per cent of their business was kitchens, which they did not particularly enjoy doing, and the other 20 per cent was creative furniture, which was their real love. In 1990 they decided to exhibit some of their furniture in art galleries in the south-west of Western Australia. Their designs were well received and they began to receive industry recognition. This gave them confidence that their future lay in making fine and creative furniture rather than in producing kitchen cabinets.



David Paris and Gary Bennett

Gary also took some of their furniture to Los Angeles and went 'cold calling', door to door, trying to find a market for their product. Eventually they were invited to exhibit their work in Beverly Hills. This proved successful and they began exporting to the United States on a regular basis.

Then came exhibitions in Milan and Tokyo in 1991, generating further sales. They also began to win awards for their work, and this led them to conclude that they had a unique product.

But along the way David and Gary did suffer some setbacks, from which they learnt valuable, albeit expensive, lessons. Despite the international exhibitions, 1991 was a particularly bad year. A large project they undertook for 'a friend of a friend' turned into a financial disaster when the developer went broke, leaving them owing \$35 000 to their suppliers. A foray into the granite quarry business was equally unsuccessful. Their accountant delivered the bad news, it was all over and they should go and do something else. David briefly flirted with this option whilst Gary and an apprentice (Mark Hammill), who offered to work for nothing, persisted. Soon David rejoined and decided to focus on what they really enjoyed and did best—making artistic furniture out of solid and recycled timber.

Gary and David recommenced by travelling to the south coast, to look for some creative inspiration and do some surfing. During this trip they designed a new range of furniture. On returning to Perth they created the prototypes and then displayed them in a number of galleries in the south-west of the state. This proved very successful, and they managed to pay off their creditors and 'survive another day'. In Gary's surfing language, 'We got dumped but did not suffer a complete wipeout'.

As their business began to grow, they realised they needed new premises. Nothing in the Perth area was suitable. In 1993 Gary took his wife, Lara, to visit his parents in York, a small Wheat Belt town where he had spent his childhood, and they found what was to become the new home for their business—a dilapidated old flour mill that was about to be auctioned. They decided to attend the auction and bid. They were successful, buying the mill for \$155 000, a mere \$1000 less than the maximum their bank had given them approval for. Given that the losing bidder had planned to demolish the building, the victory was significant not just for Gary and David but also for the town of York and lovers of heritage.

The Old York Flour Mill was constructed in 1892 and dominates the entrance to the town. It is a four-storey structure, built using convict-made bricks and occupying almost a hectare. A week after the auction Gary and David came to understand the challenge they had taken on—'an incredibly derelict building with missing windows, heaps of graffiti and holes in

the roof and floors,' says Gary. Family members and friends thought they were crazy. Their bank manager did, too: 'Why would you move from Scarborough Beach Road with 70 000 cars a day driving past to York with only 3000 people in total?' Knowing more about their market than the bank manager did, Gary and David responded with 'Why not?' They saw huge marketing and operating potential.

Within two weeks they were operating from their new premises and Gary and Lara were living in a tent under one of the sheds. The task of restoring the complex of derelict buildings began. The first goal was to 'close up the building'—to fix the roof, windows, doors, and so on. The first 12 months were very chaotic and very hard work. It was also case of 'sink or swim': they could not afford to stop or slow down because their business would have drowned.

They had little money and what they did earn they put back into the business. As with their furniture, which was mostly made out of recycled timber, they through necessity recycled materials they found on site to renovate the building, which became their gallery. Apart from their own efforts, they had support from family, friends and even the locals, who were sympathetic to what they were trying to do, especially when they realised that Gary and David were actually restoring the building rather than pulling it down to make furniture from it. The Friends of the Old Flour Mill group contributed \$4000 to help fund some of the 40 double-hung windows that needed replacing.

Gary and David's courageous decision to move to the country and create a tourism-based outlet for their business soon seemed to be vindicated: their turnover doubled in their first year of operations in York. The renovations continued, and as their business began



The Mill

to grow so did the number of employees and visitors. In 1995 one of the visitors to the gallery was Brent Stewart, owner of a Perth marketing company called Market Equity, who developed a five-year business plan for the enterprise. Gary remembers looking at the plan and thinking there was no way they could reach the sales targets in it. Nevertheless, they adopted it and, to their amazement, achieved the targets in three years.

Gary and David quickly learnt the value of listening to advice, even though they were selective, choosing what they thought was relevant to their market. One of those pieces of advice was to realise that they were in fact not in the furniture business but in the lifestyle business. Gary firmly believes that 'people who buy our furniture are buying a lifestyle'.

In 1996 a group of local jazz enthusiasts approached them about using the vacant western shed for their annual jazz festival. The group re-roofed and re-floored the shed, and three months later David and Gary found themselves wearing suits at a \$175-a-head show, watching James Morrison, Tommy Emmanuel and Grace Knight whilst enjoying crayfish and wine. The state premier arrived in a helicopter, and 1000 people came by train. Gary remembers looking at David and saying, 'Oh, how your luck can change!'

There have been many defining moments in Gary and David's business, and none more so than in 1995, when they decided to opt out of the production side. For a long time they believed no one could do things better than they did, but if the business was to grow they had to learn to delegate and focus on managing the business. They also decided they had to take responsibility for those aspects of management they were individually best at: Gary would focus on the creative aspects while David worked on day-to-day organisational matters.

With the growing number of visitors to the Gallery, they also realised that the business and its clients would benefit from the presence of other craft businesses and a cafe. A cafe facility was created in the Mill's old office complex and rented out. Attracted by the success of the Gallery, other businesses joined in. Gary's father-in-law, Leon Baker, renovated the third floor of the Gallery to set up his jewellery business. Among other businesses that took up residence were Errol's Forge and Megan Gardiner's Card with a View.

It was apparent to Gary and David that this business cluster, or incubator, concept offered a great opportunity to add value to the visitor experience, so they opened up more space for further businesses. This was also a way of giving back, so that other artists could have the same opportunity they had been given when they paid \$50 a week to rent part of someone else's shed. In addition, it solved the problem of having to maintain some very large spaces that always needed cleaning. Not all the businesses made it, though; Gary explains, 'They often thought they could ride on the coat-tails of Jah Roc but did not appreciate what was necessary for business success'. Today, 11 other enterprises operate in the complex, including the cafe, a blacksmith, an antique shop, a hardware outlet and a hairdresser.



Gallery space

In December 2002 Jah Roc opened an outlet in Margaret River, a town in the south-west of Western Australia famous for its wineries and surfing. This was a return to the area that in the early days had embraced their work and encouraged them to pursue their passion. They bought a restored heritage building as their gallery space.

Jah Roc is open seven days a week 364 days a year and, as Gary says, 'There aren't many places that you can come and get your hair cut, pick up your hardware supplies, buy a gift, have some lunch and furnish your house' (Bush 2002, p. 1).

The business has received many awards, but probably the most important for Gary and David have been Best of the Best at the Furnishing Industry Association of Australia's Furniture of the Year Awards 2002, with a piece entitled *Sue's Chaise Longue*, and in 2003 the Best First Generation Business Award. It could be said that Gary and David are on the 'crest of a wave'.

The impact

David and Gary are modest when it comes to the impact of their business on others: they acknowledge that they have made a contribution but say, 'We are too busy working on the business to stop and think

about it for too long'. The reality, however, is very significant—for the local economy, heritage tourism, other businesses, the furniture industry, and young people.

The local economy

Jah Roc has had a major impact on the economy in the small town of York. The business employs 18 people. The need to employ skilled workers from outside York means that the business contributes to the maintenance of a viable population in the town, thus helping ensure that high standards of education, health and other services are retained.

As noted, Jah Roc has supported the development of a business community in the large, rambling mill. These 11 businesses have generated 20 additional jobs. Further, the Jah Roc Mill Gallery showcases and sells the work of 130 different artists from all over Australia, the majority being rurally based.

Local Business Enterprise Centre manager Kevin Mangini has great admiration for what Gary and David have achieved:

Jah Roc has been responsible for the attraction of a large number of visitors to York and this has had a flow-on effect through the local economy ... It would be great to have more businesses of the calibre of Jah Roc in town. It is one of York's tourism and business icons.

'Without tourism, York would be dead ... and Jah Roc makes a significant contribution to tourism, which has a flow-on effect through the whole economy,' claims York Tourist Bureau manager Denise Smyth. Denise says many people come to York because of Jah Roc. The fact that the enterprise is based in York means that the town benefits from Jah Roc's extensive marketing and advertising. Every time it appears on state and national television programs such as *Getaway* and *Postcards*, York is receiving free advertising. The Travel Downunder website claims, 'When you visit the Jah Roc Mill Gallery it is probably the most fascinating fine art and craft experience you will find in Australia ...'

The high standards set by Jah Roc have influenced York in many ways, as Birgit Schreuder, a local business proprietor, explains: 'Jah Roc brought style to York, and that meant that it was no longer good enough to sell knitted coathangers to visitors'. Denise Smyth confirms this: as a result of what Jah Roc was offering, the Tourist Bureau reassessed the products it

sold through its premises and 'Yes, we took the knitted coathangers off the shelf'.

Heritage tourism

Restoration of the Flour Mill has helped to preserve a unique part of Western Australia's heritage. According to David Paris, 'Now we've got more than just a furniture outlet, we've got this amazing old building that gives people more reason to come visit us ... The building itself has become as much a drawcard as the furniture' (Heritage Council of Western Australia 2003, p. 5). The Heritage Council itself says, 'Restoring an icon building in a small town has generated a lot of interest for customers and the media—people were keen to see what they have done' (p. 5).

Jah Roc has been acknowledged for the restoration work through two particular awards—the 1995 Heritage Council Award for Work Undertaken to Conserve the Old York Flour Mill and the 1997 York Tourism Awards, Preservation of Heritage—for Work Undertaken to Conserve the Old York Flour Mill. It has also received several Heritage Council grants.

Other businesses

Through the development of a business incubator Jah Roc has been able to turn unproductive spaces into a vibrant business community around itself. Many of the businesses are successful in their own right, but the Jah Roc complex gives them access to reasonable rates of rental, a working environment that is positive and conducive to creativity, and 50 000 visitors a year.

Geoff Eaton, proprietor of Jah Roc Cafe for three years, attributes part of the success of his business to the encouragement and support provided to him by Jah Roc. He believes that Gary and David understood from their own early experiences what it was like to be starting a business and offered a rate of rent and support that allowed him to focus on creating a business that suited the type of visitors Jah Roc attracted, rather than having to worry about how he was going to pay his rent and outgoings. 'Being around positive people has helped me, as well as being able to benefit from cross-promotion opportunities,' says Geoff.

Megan Gardiner, proprietor of Cards with a View, has been at the Old Mill for over six years and has seen a transformation during that time. She loves the atmosphere and the sense of community and believes that David and Gary's passion and hard work are

motivational: 'They do the things that other people talk about'.



A recent award-winning piece

The furniture industry

Jah Roc has demonstrated the growing importance of the fine-woodcraft industry within the current debate about timber sustainability. It is currently value-adding between \$18 000 and \$30 000 per cubic metre; this compares with the \$1000 per cubic metre added when timber is used for housing construction. A recent parcel of particularly pretty flame jarrah was bought for \$1200 per cubic metre and turned into a staggering \$56 000 worth of product. There are even a few bits left over.

Ian Hearn, president of the Furnishing Industry Association of Australia, has long watched the development of Jah Roc. He was one of the many people who questioned the decision to move to York, but he says, 'Jah Roc is a business unlike any other. They look through different eyes and others can learn from their ability to look outside the square ... They are starting to reap the rewards of their hard work and dedication'. Ian believes that Jah Roc is a wonderful example of what a furniture business can do for a country town. (BIS Shrapnel research demonstrates that for every person employed in the furniture industry three others are employed indirectly.) Ian says Jah Roc's innovation and quality manufacturing have helped raise the Association's profile and set a benchmark that will remain for a long time. Jah Roc has always been a strong supporter of the Association.

Young people

David speaks with pride about his involvement with Year 10 Manual Arts students at the local high school. He is involved through Landmark Education, a fundamental principle of which is to offer people—and the communities, organisations and institutions with which they are engaged—the possibility not only of success but also of fulfilment and greatness.

As part of Landmark, David took part in a community project with the school. Students had to design and build something that contained their favourite object. David explains, 'It makes them

realise that anything they want is available to them and demonstrates that you can be successful using hand skills. It encourages students to think outside the circle and helps to improve their self-esteem and understand that anything is possible'.

Gary has become an ambassador for C.R.E.A.T.E.—Creating Rural Entrepreneurial Attitudes Through Education—a non-profit school-based program that operates in rural Australia with three primary objectives:

- to demystify the concept of 'being enterprising' and demonstrate its relevance for all young people in coping with change
- to engender an understanding and appreciation of one's local and regional communities and the social and economic opportunities they provide
- to explore, develop and test a variety of social and business entrepreneurial experiences.

Gary enjoys returning to the school environment—which he detested as a young person—and challenging students, teachers and their communities to be enterprising in their thoughts and actions.

The success factors

Both David and Gary agree that Jah Roc would not be the success it is without the huge amount of support and help they have had from family, friends, business associates and customers. They point to nine key factors.

The success factors

- Passion, persistence and a strong work ethic
- Doing what you do best
- Having a business plan
- Product differentiation and quality
- Location
- Continuous learning
- A commitment to staff development
- Customer service
- Media and marketing

Passion, persistence and a strong work ethic

The restoration of a derelict flour mill and the creation of a renowned furniture business are testament to Gary and David's persistence and hard

work. Jah Roc has had many decisive moments over the years, but perhaps the most important was when they stopped making kitchen cabinets, which they hated doing, and focused on their passion—fine furniture. Their vision statement is ‘to create objects of desire that withstand the passage of time’. They often refer to their vision statement, to ensure they do not lose sight of why they are in the business and what has made them successful.

With persistence, a strong work ethic and a ‘never say die’ attitude, they have overcome most obstacles in their path. ‘When others said “Why?” we said “Why not?”’ said Gary, speaking of people who questioned their decision to operate from York. As Kevin Mangini, the local Business Enterprise Centre manager, said, ‘While every one else talks about it, Gary and David are doing it’.

Doing what you do best

It did not take Gary and David long to realise that if the business was to survive and they were to be successful, they had to stick with what they did best—as Gary puts it, ‘You have to stick with your knitting’. This applied not only to their business products but also to how they managed the business. David recounted that in the early days in York he and Gary essentially took on the same responsibilities. This led to the odd ‘barney’, and it soon became evident that there had to be a better way of doing things. As a consequence, Gary took responsibility for sales and marketing, while David took control of the organisational and financial aspects of the business. This has resulted in a profitable partnership. According to Nathan, ‘Bennett and Paris seem to have the perfect business marriage with Paris playing “ying” to Bennett’s “yang”’ (1996, p. 4).

Having a business plan

David and Gary are convinced of the need for a clearly defined business plan, and monitoring that plan has been critical to their success: ‘We monitor our results daily. We can’t afford to wait until the end of the week or month to find out that we are not achieving our targets,’ says David. By monitoring daily they are in a position to take remedial action before it is too late: ‘You should never assume anything. Test it and measure it’. David cites the example of one employee who raced around looking busy and productive, but when they analysed his performance they discovered he was actually their least productive employee.

Product differentiation and quality

Gary and David knew from experience that the furniture business was very competitive and that they would never get rich by mass producing ‘mainstream’ furniture that could be bought in places such as Harvey Norman. They have created a unique niche by:

- producing furniture that is stylish and unique
- maintaining very high quality in terms of craftsmanship, with great attention being paid to every detail
- focusing on one-off products
- branding their pieces with their name and the date and acknowledging the source if it came from something of significance, such as the Old Busselton Jetty
- offering a lifetime structural guarantee and a resale policy. The latter is a huge customer benefit because the pieces produced have been proven to double in price every eight to 10 years.

Having a unique, high-quality product has meant that Gary and David can command high prices and so have a healthy profit margin.

Location

The presence of the business in such an imposing building at the main entrance to York has been an important success factor. The building, with its towering thick brick walls and huge hand-hewn timbers, is a great showcase for wonderful furniture crafted from recycled timbers. As Gary says, ‘The building has given us impact as a home base and added significantly to our presence in the market’ (Heritage Council of Western Australia 2003, p. 5).

Continuous learning

Gary and David are constantly searching for ways of doing things in a smarter, more productive manner. David says, ‘We are always asking ourselves, “How can we improve it, how can we do it better?”’ They read books, listen to tapes and attend seminars and are always willing to take advice from others—their business coach, their accountant or even Tom O’Toole, the famous Beechworth Baker, who has visited Jah Roc on a number of occasions. Armed with new ideas, Gary and David are able to anticipate situations, rather than having to react to them.

In 2001 they were experiencing a plateau in their business growth and were becoming frustrated that they were not making progress to the next level as planned. They decided to engage Hank De Smit,

a business coach, to help them. Hank reviewed their management and work practices and provided feedback, including remarks about their lack of management and sales expertise. Hank pointed out that it was not the most effective use of their time for David to be driving the forklift and Gary to be spending so many hours selling the furniture: they needed to learn the art of delegation. David commented, 'I had some great ideas but no time to implement them. Hank taught me how to be a manager and how to plan'.

A commitment to staff development

Jah Roc's mission statement states, 'At Jah Roc, all staff will be treated with respect and be rewarded generously for their contributions towards servicing our customers. We will honour all our agreements and encourage all staff to work co-operatively as a team to fulfil the customers' needs'.

Jah Roc places much emphasis on staff training and communication with staff. Regular meetings with managers and staff allow Gary and David to keep staff informed about what is happening in the business and to receive feedback. By keeping the staff informed, they believe staff are clear about the direction the company is taking and what is expected of them. They are both 'straight shooters' and feel it is very important that the staff are fully aware of the consequences of the business not performing.

Customer service

Jah Roc's mission statement reveals a strong commitment to the highest standards of customer service: 'Jah Roc is a team of devoted people ... dedicated to serving our customers and to ensuring that the Jah Roc experience is, like our furniture, of the highest quality ...' As noted, David and Gary found out along the way that they were 'not in the furniture business, but in the lifestyle business'. As a result, they focus on offering the best in terms of service and presentation. Jah Roc's 12 Points of Culture (reproduced in Appendix A) reflect their commitment to customer service and their consequent expectations of staff.

Media and marketing

Because they operate from a country town, Gary and David know they have to be good at marketing: 'How else would we get people to drive all the way to York to see our furniture?' asks Gary. Over the years they have marketed their furniture in a variety of ways, including in the traditional galleries, at furniture shows and expos, and in the newspapers. In addition,

they have arranged to be featured on a number of television lifestyle programs, including *Getaway* (twice) and *Postcards* (three times), which have been a valuable source of free exposure. Entering their furniture in awards has also been very beneficial. They recently received their 32nd award. They try to take advantage of every opportunity to network and make their business known.

Advice to others contemplating rural business creation

Gary Bennett's advice is as follows:

- You should not do it unless you are passionate about it, and then never give up.
- You need to do it differently from your competitors in some way.
- Realise what business you're in and remember that, no matter what you do, you are in the people business.
- Have a good story to tell about your business: people buy your story when they buy your product.

David Paris adds:

- Be realistic.
- Do a lot of planning before you start.

Further information

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Kooka's Country Cookies



Kooka's Country Cookies is one of Australia's great rural business-creation success stories. Operating from the small Victorian town of Donald, in the Wimmera, the business turns over \$3 million year and employs more than 40 people. Against all odds, Kooka's Country Cookies has infiltrated the aisles of supermarket chains across Australia, and the business is poised to meet the challenge of exporting to Southeast Asia.

The story began in 1993, when an unemployed pastrycook linked up with five local people who were willing to make a small investment in a new enterprise using a disused abattoir. It is a story that demonstrates the importance of multi-skilled management, research, innovation and promotion.

The story so far ...

Having arrived in Donald, in north-western Victoria, in 1992 with, in his words, 'his bum hanging out of the seat of his pants', Gavin Grey, an unemployed pastrycook, was selling biscuits at small markets 'to keep the wolf from the door'. But he had a very definite goal. He liked the feel and appearance of Donald, with its population of just 1700. He was a superb chef. He just needed a break. That break came when Gavin met Graham Harris, the Bullock Shire economic development officer, and Kelvin Clarke, a local businessman. These two men decided to pool their resources, tap into Gavin's talent, and launch a biscuit-making business.

During two months they achieved the impossible. Gavin completed the Federal Government's New Enterprise Incentive Scheme program, which gave him the knowledge he needed to write and cost a precise business plan. Graham gathered together a network of local people with good track records in finance, marketing and management, allowing Gavin to concentrate on working to create the perfect country cookie. Five families made a small investment, and Kooka's Country Cookies was born.

All they needed was premises. An abattoir complex—once a source of employment for over 300 people and abandoned for 18 years—delivered the solution. With huge warehouses, a loading bay, and the perfect shell for a retail outlet, it was a 'renovator's dream'. Kelvin and Gavin combed the country for budget-priced equipment, and then the serious baking began. Graham tells the story of one investor's concern about a massive \$2000 being spent at a fire sale on a chocolating machine: 'All that money for one item ... ridiculous'. The machine has since coated hundreds of thousands of premium cookies.

The initial sales team consisted of Kelvin, hawking Kooka's Country Cookies, packed in plastic bags and tied with a ribbon, at the local markets. 'We chose the kookaburra as our symbol because it's a bird that epitomises the Australian spirit. It's tough, resilient and smart, with a healthy sense of humour,' said Kelvin.

Each time Kelvin returned from the market—triumphant—he would find Gavin had produced another mountain of stock. The time was right to seriously look at the question of distribution. The formula was simple. Start selling to your mates, the independent grocery stores. Walk into the store, let them sample the product, get a small order, and help them sell it. A team of five employees, initially family and friends, would arrive in a store, set up a Kooka's counter and offer free sampling. Sales 'went through the roof', and country-based stores soon accounted for 70 per cent of turnover.

Next, it was time to take on the 'big boys'—the supermarkets. They found negotiating with the multinationals akin to 'walking through minefields'. In 1999 their presentation to a well-known manager of distribution was met with scathing criticism. He advised them to forget it, that Kooka's as a product and concept would not work. Undaunted, they repackaged their presentation with the help of a graphic designer and entered the arena again. This time the response was unanimous endorsement of the product. Interestingly, that manager of distribution, having noted the product's success in Coles and Bi-Lo, has changed his tune: Kooka's sells through his chain in Victoria and New South Wales, and supermarket sales account for 61 per cent of Kooka's sales. The experience with supermarkets taught

Kelvin an important lesson: 'Don't be discouraged by rejection. Take the criticism on board, modify where necessary, then try again'.

In 2000 the shareholders decided to investigate the hospitality market. As they suspected, some 4000 Australian hotels, motels and B&Bs were stocking complimentary biscuits, most of them supplied by foreign-owned multinationals. The time was right for an Aussie alternative, and supply to the hospitality industry now absorbs 20 per cent of Kooka's production.



Operations

Today, Kooka's produces over 1.5 million cookies a year, for supermarkets in Victoria, South Australia, country New South Wales, Queensland and, more recently, Singapore and New Zealand.

The impact

The impact of Kooka's Country Cookies can be measured in terms of local economic development and employment, community pride and example, and as a rural Australian inspiration.

Local economic development and employment

In 1992, its first year of operation, with only nine employees and every available relative and friend seconded to distribute and promote, Kooka's sales were recorded at \$65 000. Only 11 years later, with a staff of more than 40, the business was generating almost \$3 million in sales. Kelvin Clark summarised the impact of Kooka's on Donald's economy: 'We're bringing fresh money into the community out of the populated areas. That money comes into the pockets of our workers, who spend [it] in Donald. It makes you want to do more' (Lunghusen 2002a, p. 8).

The directors are adamant that they will maintain 100 per cent Australian ownership, retain their rural base and, given planned product innovation and market extensions, reach \$10 million in turnover by 2007.

Kooka's is not reliant on local agricultural conditions and as a result offers secure employment, with staffing levels that tend not to fluctuate. Its average salary injection of \$15 000 a week makes a significant contribution to Donald's economy. In 2002 alone 12 Kooka's employees became Donald homeowners for the first time.

Community pride and example

The greatest contribution Kooka's makes to the community is the ongoing mentoring for young people and leading by example. It started back in 1992 with a skills audit that showed Donald could certainly deliver the specialised staff Kooka's needed. The bonus for Kooka's was that the locals were totally committed to the product and the business's directors and shared their vision for the future.

Management reciprocates, with support for families in times of drought, fire and sickness and by offering flexible shifts to accommodate family needs. It has also introduced training initiatives associated with the baking industry, and all employees are encouraged to update and expand their personal and professional skills. In addition, youth traineeships have always been an important part of the agenda for Kooka's, and four trainees in the last five years have stayed on in full-time positions. Kelvin says, 'It's a great achievement to offer something for young people, so they don't have to move away from the area for employment' (Lunghusen 2002a, p. 8).

Kooka's abounds with examples of staff who have been given fresh career pathways. Administration manager Lorraine Davidson is a good example. Before Kooka's her work was limited to farm accounts. 'Kooka's has been an expansion for me. It's broadened my knowledge and opened up another door for me,' she says (Lunghusen 2002a, p. 8).



Town entrance sign

And the Donald community and broader district are understandably proud of Kooka's success. In effect, they have become a team of 3000 ambassadors for the product. When developing signage for the town, the Donald 2000 Committee supported 'Welcome to Donald ... Home of Kooka's Country Cookies'. The local milkbar owner puts it this way: 'We have the best shops, the friendliest people but, best of all, Donald is the home of Kooka's Country Cookies, the best-tasting biscuits in the country'. Even the shire councillors are ardent cookie fans: at a recent state conference in Bendigo, the Arnotts biscuits were banished and replaced with Kooka's.

A rural Australian inspiration

The story of Kooka's Country Cookies is now well known throughout Victoria. Recently a state government film crew, representing Country Business Hero 2000, spent two days interviewing Kooka's staff and locals to produce a documentary on the impact the business was having on the town. Kooka's Country Cookies has become an inspiration to many rural communities interested in new business opportunities and employment creation and is often quoted by state government employment and business-development agencies (see *Employment Matters* 2002, no. 22, issue 2).

In 2002 Kooka's Country Cookies was one of five businesses chosen by the Victorian Government as Victorian Business Heroes; the others were firms such as Toyota and Bonlac.

Success factors

Seven main factors are integral to the success of Kooka's Country Cookies.

The success factors

- Stable, multi-skilled management
- A strong work ethic
- Use of external expertise
- Idea obsession and generation
- Research and product innovation
- Keeping ahead of competitors
- Continuous promotion

Stable, multi-skilled management

The directors and shareholders of Kooka's describe their management style as 'eclectic'. With backgrounds in food processing, stockfeed, pork marketing and hardware retailing, and an economic development officer who owns the local menswear store in Donald, each person brings specific skills and experience to the business. Their individual networks have been invaluable in growing Kooka's.

They are, however, very clear that discipline tempered with well-grounded realism is the key to success. As Kelvin states,

- Can anybody remember when times weren't a bit tough and money not scarce? That's reality!
- If you don't focus on clear targets ... you don't score a bull's eye.
- It's not rocket science. Whether you're selling toothpaste, beef or oil, the same principles apply. Be the best, find the most supportive distribution mechanism, and tell people exactly why they should buy your product.

A strong work ethic

The impressive growth of Kooka's Country Cookies is testament to uncompromising standards and sheer hard work. Gavin Grey epitomises this attitude: 'It wasn't unusual to see him working 24-hour shifts when necessary. He has an amazing work ethic, a quality we now find being reflected by all our employees,' says Kelvin Clarke.

Use of external expertise

Masterminding and overseeing a successful business means knowing when you have reached a limitation and need to appoint a consultant. Graham Harris has some advice about choosing consultants:

- Check and recheck credentials, experience and attitude.
- Hire the best in the business. Look at the clients they have satisfied and the profits they have generated.
- Make sure they have an understanding of your market, an interest in your success and a knowledge of your competitive situation and agree that your objectives are achievable.
- Appoint a salaried staff member to work with them and learn the ropes while the project is being launched.

Kooka's has successfully worked with consultants to assess and implement sales to the hospitality industry, orchestrate negotiations for an AFL-branded product, and establish a pro forma for entry into the export market.

Idea obsession and generation

According to Graham Harris, 'It is all too easy for the troops to get tied up in the day-to-day grind of running the business'. The importance of 'staying ahead' is a principle Kooka's promotes every day of the year. Those involved firmly believe every staff member, from the cleaner to the marketing director, might have an idea that will improve the business. They hold regular 'pizza fests', when there is a 'gloves-off' exchange of ideas. Only two rules apply: 'Have fun, and absolutely no one can criticise or reject an idea'. The secret is to record and mull over the suggestions, then turn the best into action.

As Gavin says, 'If you're always thinking, questioning and learning, chances are you'll have a light-bulb moment that could put another million dollars on the bottom line'.

Research and product innovation

Kelvin's philosophy is that:

What your customers say is not always what they think and want. You must climb inside their heads and become a keen observer of shoppers. Study their mannerisms, stay in touch with the world around you. Watch television, read children's books, hang out in the shopping centre, talk, ask lots of questions, and become an expert listener.

Brainstorming and research have led Kooka's into some exciting initiatives:

- low-fat products that still deliver the traditional Kooka's flavour
- a macadamia nut shortbread biscuit
- a football-shaped range carrying an AFL team transfer
- a stand-alone chocolate range with lemon and raspberry centres.

Keeping ahead of competitors

Kooka's directors see change for change's sake as an easy way out. Improvement—the more difficult and often tedious discipline—is what keeps the business ahead of its competitors. They endorse the tried-and-true formula of value over price, the importance of maintaining a consistent identity and, most importantly, the importance of having an alternative strategy in case competitors manage to close the gap.

Continuous promotion

Kelvin is adamant about two things: 'You don't need a truck full of money to launch a product. Never forget ... the product, not the company, is the star ... Create your own promotional opportunities'. The following promotional activities have produced significant and measurable results:

- *Factory tours.* Each year over 3500 visitors are entertained with a video sharing the secrets of premium cookie baking while they sample all the cookies they can eat. They are given the opportunity to buy Kooka's gift packs, local art and memorabilia. The afternoons are hosted by a changing mix of Kooka's employees.
- *Cross-promotion with local businesses.* For example, the motorcycle store in Donald imports high-profile US brands and distributes to all states of Australia. The store regularly rewards its huge customer base with Kooka's Country Cookies gift packs.



Advice to others contemplating rural business creation

Kelvin Clarke believes that, like anything in life, six basic principles apply:

- Choose your partners wisely. Keep the enthusiasm for your business goals fresh and alive.
- Test, test, test the market before you invest hefty dollars in the launch of a new product or line.
- Never be afraid to acknowledge a mistake. When necessary, cut your losses and employ an alternative strategy.
- Be consistent and persevere with a winner. If it's not broken, why try to fix it?
- Hire only the very best. Know your limitations and employ experts to fill in the gaps.
- A little luck of the Irish doesn't go astray.

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Maleny and District Community Credit Union



The rural community of Maleny, in south-eastern Queensland, is reputed to have the second-largest concentration of community cooperative businesses in the world, after Mondragon in Spain. At the heart of this development is the Maleny and District Community Credit Union.

The Credit Union was formed in 1984; it creatively balances its business operations with the practices of ecological and economic sustainability and aspires to lead by example to advance social change for community benefit.

This is an exciting story of community initiative. The Credit Union is a model of exceptional customer service, commitment to the local community, strategic alliances, sustainable policy and practical leadership.

The story so far ...

Maleny has a long history of being a cooperative town. Dairy farmers established a creamery cooperative there in 1904. This particular cooperative no longer exists, but Maleny today boasts 17 others, making it home to the second-largest concentration of cooperatives in the world, after the Basque town of Mondragon (Carroll 2001, p. 36).

The concentration of cooperatives in Maleny owes much to the alternative lifestylers who moved to the area in the early 1970s, attracted by the beauty of the countryside and seeking more purposeful lives. The first cooperative venture was the Maple Street Cooperative, established in 1979 as an outlet for local fruit and vegetable growers and a source of wholesome, reasonably priced food. After this success, the focus moved to the creation of a credit union that recycled local savings.

Jill Jordan was a prime force in the creation of the Maleny and District Community Credit Union. After she heard Bill Mollison, co-founder of the permaculture school of thought, talk about the benefits of the flourishing US ethical investment movement at a conference in Tasmania in 1983, she thought, 'We've got nothing to lose' (Carroll 2001, p. 33). With Jill as volunteer manager, and with the support of the Maple Street Cooperative, the community of Maleny launched the Credit Union in 1984.

They wanted to harness local capital for local residents. They sensed that their banking, investment and credit needs were not being well served by the existing financial institutions. They established the

Credit Union as a cooperative based on strict criteria and principles that empowered local people. The primary purpose was to offer appropriate and ethical financial solutions to members in ways that are:

- socially just
- environmentally responsible
- empowering to the local community and individuals
- based on a belief in people, honesty and goodwill. (MCU 2002b).

Carroll (2001, p. 33) relates an amusing story told by a Credit Union board member, Peter Pamment, who recalled that on day one investors transferred \$53 000 from the only bank in town to the Credit Union. But the Credit Union was not ready for such a large amount and had to re-deposit it in the bank—'A bit of money went round in a circle that day,' Peter said.

Within three years the Credit Union's assets exceeded \$1 million, paid staff were being employed, and loans were being provided for land purchases, house building and business creation. By 2000 some 5000 members were involved, 100 new businesses had been opened, and there were assets of \$13 million (Carroll 2001, p. 33). In 1999 the Credit Union received an award for being the best small credit union in Australia.

The Credit Union's vision is to lead by example, to advance social change for the community's benefit, and to creatively balance business operations with ecological and economic sustainability. In the words of its manager, John Ford, 'We intend to be socially dynamic in our approach to build a real bond with our clients and community that demonstrates a

commitment to the triple bottom line—namely, the integration of economic, social and environmental objectives'. John has been with the Credit Union for only a year, after a long career as a senior executive in a large financial institution. He joined the Credit Union because of its philosophy: 'I was looking for alternatives and the MCU principles and opportunities were very attractive. The community orientation policies were a significant reason that I decided to work with the MCU'.

Currently having \$18 million in assets, the Credit Union employs 13 staff full or part time, has advanced over 6400 loans, and services customers across Australia; 25 per cent of its business comes from outside Queensland. John Ford believes that the Credit Union's values are vital in attracting staff: 'People are excited to work with an organisation that invests in local people and stand by their operating values. It certainly attracts staff who share our vision'.

The Credit Union operates under strict cooperative principles that are consistent with global reporting procedures of the financial sector. These principles are helping to encourage community involvement in a business that is transparent in its services and investments. Membership is open to all who agree with the operating principles and who accept the rights and responsibilities outlined in the Membership Charter. There is no discrimination on the basis of age, race, nationality, gender or religion. The operating principles are as follows:

- *Democratic participation.* Each shareholding member has one vote at a Credit Union general meeting, regardless of the amount of savings or deposits or the volume of business.
- *Freedom of information.* The Credit Union has open communications, within the organisation and with members, while maintaining the privacy of individual members' details.
- *Community.* The Credit Union's activities are directed at improving the economic and social wellbeing of the local community and its cultural heritage.
- *Cooperation.* The Credit Union cooperates with organisations at the local, national and international levels in order to achieve its vision.
- *Autonomy and independence.* The Credit Union provides service to members as a cooperative enterprise. It is autonomous within the framework of the law and industry supervision. Its prime concern is to build financial strength, including the reserves and internal controls that

will ensure continuous service to members and the community.

- *Members' economic participation.* Any surplus arising out of the operations of the Credit Union, after allowing for appropriate reserve levels, is directed to improving or adding services for members, the Credit Union or the community.
- *Education.* The Credit Union promotes education in economic, social, democratic and mutual self-help principles and ecological sustainability.
- *Ecological sustainability.* The Credit Union's operations and policies support conservation of the natural environment and endangered ecosystems and the use of appropriate technology and resources. In so doing, it minimises waste, pollution and inappropriate land use.

The impact

The Maleny and District Community Credit Union recorded another strong year of social, environmental and financial performance in 2002. Among the highlights were the following:

- a record number of open memberships—5182
- a record level of assets—\$16.8 million
- record allocations to the community grants scheme—\$12 800
- a record operating profit—more than \$82 000
- 25 Green Car loans—worth almost \$200 000
- hosting the Community Capital Conference
- selection as one of only two Cool Communities in Queensland.

Since 1984 the Credit Union has fostered sustainable development in the Maleny area. From humble beginnings in a rented room, it has grown steadily. Investors choose it because it invests only in projects that fit their ethics and does not discriminate between investors: all investors receive the same rate of return. The Credit Union encourages small investors, with a minimum fixed-term deposit of as little as \$500. Borrowers choose the Credit Union because of its belief in 'giving everyone a fair go' and its willingness to lend to people on low incomes who would be rejected by other financial institutions. This might seem risky, but prudent lending policies and a close relationship with members have ensured that the Credit Union has fewer loans in arrears than the industry average.

The Credit Union appeals to people because it is an ethical financial institution and it enables people to apply their ethics in practice. It donates 5–10 per cent of profits to the community, and in 2002 it carried out a social and environmental audit of its operations and produced its first *Social, Environmental and Financial Annual Report*.

The Credit Union has successfully applied for funding under the Stronger Families, Stronger Communities program of the Commonwealth Department of Family and Community Services to carry out a community social, economic and cultural audit. The purpose of this project, named the Working Together Project, is to develop a strategic plan in 2004 based on consultation with a broad range of stakeholders. The plan will identify opportunities for sustainable growth in the Maleny area and become a blueprint for further social and economic development. Among its aims is the identification of potential strategic partnerships between community groups, along with the benefits that could be expected from collaborating more closely (MCU 2003).

Credit Union director Peter Pamment summarised the project's intentions:

The project will build a baseline of the community's needs and wants that will be addressed by a holistic plan for the future. The end product will be made available to other groups and organisations such as council to incorporate into their plans for the Maleny district. MCU is proud to sponsor this project because it helps to build a more cohesive community.

The Working Together Project is an example of the Credit Union's commitment to the community's social and economic development.

The Credit Union celebrated its 18th birthday on 10 September 2002. In typical operational style, it marked the event with a special birthday breakfast at Bunya House for people from Maleny and surrounds (MCU 2002b). Maleny's famous funny poet, Arcadia Flynn, provided great entertainment, and the first 30 people to arrive at the breakfast also received a free energy-efficiency pack, which included a low-flow showerhead, a compact fluorescent light bulb, information and other items. The birthday breakfast is an example of the Credit Union's approach and its link with the community.

The Credit Union also contributes to building a healthier and stronger community through its community grants program. It held a special cheque-

presentation ceremony on 20 November 2002 to congratulate 10 community groups on having their grant requests approved (MCU 2003). Director and new grants committee member John Duthie stated on that occasion, 'Maleny Credit Union makes available up to 10% of gross profit for community grants. As a community-based financial institution, we feel it is very important that we invest back in the community which supports us'. The 10 grant recipients represent a diverse range of community groups committed to the environment, social justice and community support:

- Maleny Community Centre—\$2000 for kitchen refurbishment
- Altair Crisis Centre—\$1216 for provision of crisis care, building stronger families and community
- LEED—\$1612 for development of a resource manual and workbook for use by LEED clients
- Maleny Community Gardens—\$604 for the purchase of tools to expand the garden scheme along permaculture lines, with produce provided to the soup kitchen
- Maleny Radio Association—\$800 for the purchase of portable mini-disc recorders for Roving Radio
- Barung Land Care—\$2000 for production of the *Blackall Range Landholders and Householders Guide*
- Mapleton State School P&C—\$1464 to provide wheelchair access to Mapleton Observatory
- Erowal Aged Care Centre—\$1230 for diversional therapy instrument making
- Santa's Helpers—\$692 for the purchase and distribution of gifts at Christmas to people in difficult situations
- the Bush Family Connections Association—\$1612 to bring facilities up to health and safety standards.

The Credit Union has a strict policy on buying, with a principle that wherever possible all required goods and services are obtained locally to stimulate local businesses. These goods and services include printing, stationery, groceries, auditing and legal services, and even the local gardening service. This is a clear demonstration of the Credit Union investing in its local community and acting on its operating principles and values.

The success factors

Staff, directors and customers of the Maleny and District Community Credit Union identified four critical factors for the success of the organisation in terms of its economic, community and environmental objectives.

The success factors

- Exceptional customer service
- Commitment to the local community
- Strategic alliances
- Leadership in sustainable policies and practices

Exceptional customer service

As a community-based financial institution, the Credit Union is renowned for giving the highest priority to its members. Unlike the mainstream banks, which exist to maximise profits for shareholders, the Credit Union's purpose is to provide ethical and appropriate financial services for members. In the recent social and environmental audit of operations, members who were surveyed said the Credit Union's most important feature for them was friendly service: more than 90 per cent of respondents agreed that Member Services staff were friendly and efficient.

Commitment to the local community

The Credit Union is committed to the development of its community, both in policy and in practice. It believes in its leadership role in building and maintaining community spirit and vibrancy and considers it important to keep money circulating within the local bioregion. By investing locally, it builds wealth in the local community. It only offers loans to members or for purposes within the Maleny area. Increasingly, people are concerned about how their superannuation funds are invested: the Credit Union offers ethical superannuation where members can decide how they want their funds invested. The policy of returning investment to the local community sees 10 per cent of profits directly re-invested in community grants and projects.

Strategic alliances

The Credit Union has built alliances with similar organisations to improve and expand member services. Partnerships have been established with the National Credit Union Association, the Foresters ANA Ethical

Superannuation Fund, the Queensland Conservation Council, and other ethical investment organisations. 'These alliances are very important to our community as they increase our capacity to access equity for our customers from diverse financial institutions,' says manager John Ford.

Leadership in sustainable policies and practices

The Credit Union is involved in promoting and facilitating innovative environmental initiatives for the direct benefit of the local community. The Cool Communities program, a national program to reduce the greenhouse gases produced by households, is an excellent example. It involves a partnership between the Australian Greenhouse Office, the Queensland Conservation Council and 22 community organisations around Australia (MCU 2002a). The Credit Union was selected as one of only two Queensland communities and the only financial institution to be involved in the program. Cool Communities and the Earth Benefits Club are both examples of the Credit Union's contribution to the local community. More than 100 people attended the Maleny launch of Cool Communities in July 2002.

On behalf of the Maleny community, the Credit Union submitted an application for a wide range of activities to reduce greenhouse gases in the local area. The following are some initial ideas for implementing the Cool Communities program in Maleny:

- creating a pool of funds for low- or no-interest loans to undertake anti-greenhouse work
- applying conditions and incentives to home and other loans to promote environmental best practice
- forming a register of suppliers of environmentally friendly building materials and tradespeople skilled at working with them
- developing an information portal providing easy access for everything local people need to know about reducing greenhouse gas production.

The Credit Union has also extended its commitment to energy efficiency with the completion of an energy audit of its offices at Bunya House. Global Energy Solutions completed the audit with the assistance of Credit Union staff and directors. The audit identified a number of low-cost energy-reduction strategies that had a very short payback period (on average, 1.5 years). The Credit Union has decided to adopt the recommendations made by Global Energy Solutions and by doing so expects to achieve a 12 per cent

reduction in energy consumption—the equivalent of 3042 tonnes of carbon dioxide.

In addition, the Credit Union is committed to integrating innovative environmental policies into its daily business operations; this includes eco-taxes on paper use and discounted loans for environmentally friendly projects such as energy-efficient homes. This demonstration of community leadership directly puts into practice the organisation's principle of delivering for the community and is consistent with its operating principles.

Advice to others contemplating rural business creation

Manager John Ford firmly believes that the key to a successful business in rural Australia is building that strong bond with the local community:

The people of Maleny understand and support our approach to working in the financial market and this is very important as it builds trust and loyalty. By clearly establishing a triple bottom line strategy to our business objectives we have connected with investors who share our collective values. This also assists in recruiting the right staff who are also empathetic to these values of sustainability.

Further information

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Overlanders Steakhouse



Very few visitors to the Northern Territory will not have heard of Wayne Kraft and the bushman-size servings at his Overlanders Steakhouse in Alice Springs. Dinner at the Steakhouse is a mandatory experience for many visitors to the area.

Now one of the prime tourism businesses of the Northern Territory, the Steakhouse owes its success largely to the personality, enthusiasm and marketing expertise of Wayne Kraft. This is a wonderful 30-year story that captures the spirit and essence of outback tourism in the Territory. Besides

the passion of Wayne Kraft, the business's success rests on attention to the three basics—a quality product, innovative marketing, and effective management systems.

The story so far ...

The Overlanders Steakhouse was established in 1970, opened by local actress Daphne Campbell, who starred in the 1946 epic *The Overlanders* with Chips Rafferty. The restaurant was established to honour those men and women who ventured 'further out' into the 'Outback' of Australia—explorers, miners, settlers, bush workers, and especially 'the Overlanders', people involved in the largest movements of cattle in the history of Australia and the world.

The Steakhouse is architecturally designed and captures the rustic ambience of Outback Australia. The decor features historic memorabilia and saddlery used and donated by drovers or cattlemen and ranchers of the Territory. It is a living museum, proudly supported by locals and visitors alike.

During the last 33 years the Steakhouse has known ups and downs, experiencing five owners and a brief diversion as a Mexican restaurant. Since 1988, however, Wayne Kraft, known affectionately by Territorians as 'Krafty', has owned and operated the venture. Krafty's involvement with the Territory began back in the early 1970s. David Ellis captured his story:

Wayne Kraft fled the southern city of Adelaide for the Territory in 1972, working in a bank in Tennant Creek. But it didn't take him long to decide he'd be of better use to the public running a bar than running a bank counter. So he bought an interest in the Barrow Creek pub, halfway between Tennant Creek and Alice Springs. After a few years there, learning all about hooking up kegs, pouring beer, keeping the place clean, placating drunks blowing pay cheques, and cooking and serving counter lunches all at one time, Krafty heard of a restaurant in the Alice that was up for grabs. He packed his bags and moved down the track. (2000, p. 11)

In the years Krafty has operated the Overlanders Steakhouse, he has built a huge reputation for combining hospitality and great food. The business has grown dramatically in terms of international and national reputation and currently caters for over 30 000 diners a year.



Owner Wayne Kraft

Writing about Alice Springs, Cynthia Dammerer summarised the importance of the Overlanders Steakhouse to tourism in Alice Springs and the restaurant's unique features:

A visit to the Overlanders Steakhouse is a must, but save up your appetite for a Drover's Blowout—all you can eat from the menu, including beef, kangaroo, emu, camel, crocodile and barramundi. And, no matter where in the world you come from, they'll make you feel at home by putting a miniature national flag on the table alongside the striking Northern Territory flag. The menu itself carries the following day's weather forecast and that day's news from bygone years. Those very keen for a souvenir can have their hat, belt or rump (steak, I presume) branded with their exclusive mark. The wine cellar contents leave many city restaurants looking sub-standard. (2002, p. 13)

It was the challenges of the ‘pilots’ dispute’ in 1989 and the introduction of the GST in 2000 that revealed to Krafty the dangers of poor management systems, marketing and training. The GST, in particular, forced the business to get organised and account for all aspects of business life.

Today the restaurant captures the spirit of the Outback in many ways. John Fitzgerald, general manager of development and operations for the Northern Territory Tourism Commission, says, ‘The Overlanders Steakhouse is an icon of Australia’s Outback and a must-visit destination. People today are not seeking holidays, they are seeking experiences and the Overlanders provides that. It is a unique experience that will never leave you’.

The impact

For a small business, the Overlanders Steakhouse has an enormous impact on the economy and employment in Alice Springs. Despite being open only for dinner, the restaurant averages 80 to 90 diners 365 days a year. It is a significant employer in the town, employing 23 people at present. Seventy per cent of the restaurant’s turnover goes back into the local economy and community.



The famous Overlanders Steakhouse

Indirectly, the restaurant has pioneered hospitality training in the Northern Territory. Many young men and women involved in the hospitality industry move around Australia, and the Overlanders Steakhouse is nationally recognised as an important restaurant training ground. Certainly, many people remember

their working life and experiences at the Overlanders Steakhouse with great affection.

The success factors

Four success factors are paramount at the Overlanders Steakhouse.

The success factors

- Personal passion
- Quality product
- Innovative marketing
- Effective management systems

Personal passion

Staff and regular patrons acknowledge, first and foremost, that it is Krafty who is responsible for the reputation and success of the restaurant. His secret is his infectious passion and optimism. Stephen Whittaker, the restaurant’s manager, simply responds to the question ‘What makes it work?’ with the words ‘Krafty and his marketing strategies’. Regular visitor Karen Schneider comments on ‘Krafty’s passion for the Territory. He markets the restaurant, but always the Territory first. His passion is contagious’.

Ted Egan, one of Australia’s most famous Outback musicians and now the Administrator of the Northern Territory, has known Krafty from the day he arrived in the Territory and admires his stamina, vision and love of people: ‘Krafty is a unique combination—someone who loves the Territory, loves what he is doing, and has the time and energy to make it happen’.

Krafty believes he is a caretaker of someone else’s idea: ‘My aim is not just to make a quid out of the Overlanders Steakhouse but to enhance it as a tourism destination. Ultimately, I have a responsibility to add to something that is very important to Alice Springs’. In Ted Egan’s words, ‘Krafty is totally committed to sharing what is special about the Territory. He is determined that people will go away from Alice Springs feeling incredibly special’. And John Fitzgerald says,

Krafty is a pioneer of the future. He is recognising the pioneers through the Overlanders theme, but he himself is a pioneer of the future. He is absolutely determined to revitalise the pioneer spirit that has



The atmosphere at Overlanders

made the Territory. He communicates that theme in everything he does.

Quality product

Providing for the needs of locals has always been a strong priority for Krafty. He has managed to create a club atmosphere at the Steakhouse, and as a result it has become a popular place for local celebrations.

Krafty views himself as a 'fearless consumer'. He tries to look through the eyes of a consumer, not the owner—always looking for new ideas to improve his business. He continually studies his competitors and the Australian tourism and hospitality industries for ways to refine his product and increase the efficiency of his business. The atmosphere and ambience of the restaurant are outstanding: 'Immediately you walk through the door, it beckons you, welcomes you,' says Krafty.

Krafty acknowledges that it is the Outback that attracts so many international visitors to Australia, and they want to touch and feel it. 'Overlanders' is a perfect name for an Australian Outback restaurant. The Overlanders Steakhouse provides a genuine experience of the Outback—first, the decor (galvanised iron, brands, animal hides, saddlery, windmill, and so on); second, appropriately Australian cuisine and its presentation; third, the entertainment (musicians, sing-a-longs, the opportunity to have clothing branded, and so on); and, finally, the opportunity to buy quality merchandise (including gift vouchers, teaspoons, hats and shirts). 'The Overlanders Steakhouse is more than just a steakhouse!' declares Krafty.

Innovative marketing

Krafty is adamant that any tourism business must sell the destination. His priorities are straightforward: 'Australia first, Territory second, Central Australia third, Alice Springs fourth and, if there is room, the Steakhouse fifth'.

He and the business are members of the relevant tourism associations and active contributors to Territory and town promotions. Three times a year Krafty participates in interstate marketing initiatives; according to him, 'It takes time, money and patience to develop goodwill and open doors'. Ted Egan says, 'Krafty is always out there promoting. There is now an international awareness among travel agencies of the Steakhouse'. John Fitzgerald claims, 'If Krafty is awake, he is promoting the Territory. He loves taking the Territory to the world, as much as he loves inviting the world to the Territory'.

The Steakhouse has a reputation for marketing and customer-focused initiatives such as the following:

- placement of flags designating the home nation of diners—'Most customers love that quaint identity with home. You would be amazed how many flags get stolen,' says Krafty
- coastcards (reversible drink coasters as postcards) and a souvenir menu with tomorrow's weather in key Australian destinations—'It is important to give people something to take home and remember their visit,' says Krafty
- an opportunity to have the restaurant brand on your clothing
- an Overlanders table—a sort of captain's table—where single travellers can join others for dinner
- quality memorabilia for sale—gift vouchers, hats, teaspoons, polo shirts, chambray shirts, and so on
- an attractive website
- rewards for people who refer customers
- exit surveys of customers to find out 'why they chose the Steakhouse'



The product

- ‘Tell em I sent ya!’ coupons distributed at other Alice Springs tourist attractions, offering complimentary beer, wine or soft drink
- creative use of radio advertising
- opportunity obsession in terms of media exposure. The list of print articles on Overlanders Steakhouse is extensive, while television programs such as the *CNN Travel Show*, *Live This* and *Getaway* have featured the restaurant.

The Overlanders Steakhouse acknowledges the need for a multi-faceted marketing strategy to cater for the different customer markets—the locals, visiting friends and relations, the various international markets, the visiting business market, the commercial traveller market, the group market, and free and independent travellers. The restaurant’s marketing reflects this customer diversity.

Finally, Krafty acknowledges that marketing ‘cannot stop by getting people through the door ... word-of-mouth marketing is the cheapest and most effective’. Krafty’s key role each night is interacting with the customers; given his personality and the way he embraces and epitomises the Territory, this leaves a very positive impact on visitors, who naturally tell others.

Effective management systems

As noted, Krafty says the introduction of the GST forced the business to adopt more effective management systems. In particular, attention to staff recruitment and training was essential. Like all Territory tourism businesses, the restaurant struggles to recruit suitable staff. Krafty has developed ‘Krafty’s 10 (Plus 9) Kommandments’ as a staff-recruitment mechanism, a filter for the applicant and their potential work ethic. These 10 (Plus 9) Kommandments cover all aspects of working as a team member at the Steakhouse—staff meetings, drinks and other refreshments, drugs, employment forms, liquor licensing, money, personal appearance, references, rosters, staff arrangements, sexual harassment, sacred sites, the food, telephone calls, time sheets, tips, uniforms, wages, and terms of employment. Each Kommandment is written in colourful language, and staff are required to acknowledge in writing (with a witness) that they understand and accept them. Although some people find the Kommandments draconian, it is interesting to see other businesses beginning to use similar mechanisms (see Appendix A for a summary and examples of the 10 Kommandments).

A favourite saying of Krafty’s is ‘Leaders must lead, and managers must manage’ and this characterises his hands-on approach to running the restaurant. This is matched by his ‘no problem’ nature: he is interested only in solutions. There is a regular management meeting every Thursday morning and a staff meeting on Thursday nights, which usually involves 100 per cent attendance after genuine apologies. Staff meetings are intended to ‘keep everyone in the loop’ and focus on the practical, including sampling the latest dishes and wine tasting. Staff receive their weekly wages at the end of the staff meeting.

The Overlanders Steakhouse is passionately committed to training. It has developed its own training manuals for the two-stage training process—food running and table cleaning, and drinks service. The restaurant unashamedly claims it has the best-trained staff in Alice Springs and possibly the Territory. Other businesses certainly welcome staff from the Overlanders Steakhouse.

The result of this focus on effective management processes is very high staff morale, captured well by assistant manager Kaitlin Liemandt: ‘It’s like a family. Those who stay here for a while feel that the business is their own’.

Advice to others contemplating rural business creation

Krafty offers this advice: ‘Know your market. That means heaps of research. Try to quell your enthusiasm and be honest with the research you are undertaking. Simply do your homework before signing on the dotted line’.

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Paronella Park



Paronella Park, at Mena Creek in northern Queensland, is a heritage tourism complex that provides a unique opportunity to experience the dream of a Spanish immigrant, José Paronella, who opened the site as a pleasure garden for tourists in 1935. Today, Mark and Judy Evans continue José's dream and have created a multi-award winning tourist destination enjoyed by 140 000 visitors a year. Between 1998 and 2000 the enterprise received 11 tourism awards.

Mark and Judy's innovation in product development, marketing, customer service, and heritage conservation and presentation provide many lessons

for other rural businesses. They also employ 25 people, which is a huge boost to the community and economy of the small town of Mena Creek.

The story so far ...

Arriving from Barcelona in 1913, Spaniard José Paronella was struck by the beauty of northern Queensland. His dream was to establish a pleasure garden for tourists on a little more than 5 hectares overlooking Mena Creek Falls. Following his marriage to Margarita, they began to build his dream. They created castles for weddings, dances and movies. They harnessed the Falls to produce electricity and power the fountains. They built picnic areas, tennis courts, change rooms, tunnels and bridges, and enveloped it all in an amazing range of 7000 tropical plants and trees. They laboured with unswerving determination, and the result was an enchantingly beautiful piece of Australia that opened to the public in 1935. It quickly became a centre of social life for the region, as well as an important tourist destination.

When Paronella Park was listed as a state and national heritage site, the documentation referred to the place's significance in terms of the following:

- early tourism operations, which were rare and unusual
- an early and rare hydro-electric scheme
- aesthetic values
- the significant collection of rainforest and exotic plants
- the significant social role the place played in the local community and its use by service personnel during World War 2.



Margarita and José Paronella

After José's death in 1948, the Park lapsed into extended periods of decline. In 1979 fire gutted the main castle and, to many, this sounded the death knell for the Park. In 1993, however, a determined young couple, Mark and Judy Evans, who were touring Australia in search of the ultimate tourism business opportunity, bought Paronella Park and implemented a 10-year plan to revitalise José's dream. Using the logo 'The dream continues', the Evans as proprietors are now in their 10th year of operation.

Opening in late 1993, the Evans received 8000 visitors in their first year and a gross income of \$80 000. By 2002 the Park was welcoming 140 000 visitors, had an income of \$1.25 million, and injected over \$1 million directly into the local economy. It won the North Queensland's Most Significant Tourist Attraction award.

The property operates primarily as a tourist destination, but it has also become a popular venue for wedding ceremonies, theatre productions, movie making and corporate events. Adjoining it is a small caravan park and camping area, and a recently purchased 36-hectare



José Paronella

farm next door is being developed for a host of complementary tourist uses.

The challenge for Mark and Judy Evans, as custodians of Paronella Park, is, in their words, 'to take the vision and dream of José Paronella—an exciting and incredible story—blend it with the beauty of his creation and produce an experience for the visitor'. Dena Leighton, biographer of José Paronella, captures this commitment:

Judy and Mark Evans are totally committed to preserving José's Paronella Park and reviving his dream. They bring new energy and fresh ideas to give the Park a renewed vitality. Under their guidance, the Park is once again becoming a major tourist attraction ... It may not be possible to restore the crumbling ruins of José's buildings, but Judy and Mark may be in time to preserve the magic of his vision; the inspiration of a man of optimism and idealism. (1997, p. 109)

The key to the desired visitor experience is the guided tour, taken by Mark and Judy's team of young, enthusiastic guides.

The vision statement for the enterprise is 'To provide our visitors with the most unforgettable experience of their life and ensure that they return to visit one of the most exquisite pieces of North Queensland history, while preserving it for the enjoyment of future generations. (Paronella Park 2000). As Mark says, 'Our ultimate goal is to preserve the history and the physical fabric that is Paronella Park. Everything we do is directed towards that goal—customer service, staff training, conservation works, product enhancement and marketing'.



An old postcard showing the Park in its heyday

The impact

In the past 10 years the story of Paronella Park has been one of enormous growth and impact, both as a business and in terms of the effects on a town of 200 people.

Business and tourism success

In their first year of operation Mark and Judy attracted 8000 visitors and an income of \$80 000. It was not until July 1997, however, that the first tour bus company started to visit regularly. (During 2003 that company alone was to bring 8000 to 10 000 people.) In 2002, 140 000 people visited and the business generated \$1.25 million in income. The business is growing at an annual rate of 40 to 50 per cent.

Paronella Park gained National Trust listing in 1997, and it received 11 tourism awards between 1998 and 2000.

The local community and economy

Paronella Park has become a major employer in the district, especially for young people. At present it employs 25 young people, most of whom would need to travel to Cairns for similar employment experience.

Another significant impact of Paronella Park is the renewed pride in the community. Locals now talk about living near a place that was once deserted and forgotten but is now a place with a high media profile and national tourism significance.

Paronella Park has deliberately fostered strong links with the local community, and this has led to the building of a vibrant and enterprising society. Among Mark and Judy's initiatives to strengthen this connection are the following:

- a business policy of local purchasing
 - local products
 - use of local tradespeople, resulting in \$1 million worth of local infrastructure
 - use of local people for all marketing initiatives—pamphlets, television commercials, the website, and so on. In 2003 Paronella's marketing budget was \$195 000
- leadership in securing local infrastructure. Paronella Park was at the vanguard of a campaign called 'Battle for the Bridge', which has resulted in a new local bridge worth \$10 million

to overcome problems associated with regular flooding

- cross-promotion initiatives with local businesses. For example, a newly established bed and breakfast, 'Gingers', has a package deal with Paronella Park. Paronella Park staff are very generous with advice and mentorship for aspiring local business operators
- a local discount arrangement that offers free entry to any local with a visitor after their first visit
- sponsorship of local community events and organisations. Given Mark and Judy's strong commitment to customer service, it is natural for Paronella Park to sponsor the Culter Annual Awards for Customer Service. A contribution of \$3500 is involved. In addition, a wide range of groups in the culture and arts arena are beneficiaries of Paronella Park sponsorship; this is seen as a natural extension of Paronella Park's desire to help local people develop the ability to perform.

The success factors

Judy and Mark Evans are very clear about what has contributed to the consistent growth of Paronella Park as an enterprise. They identify eight key success factors.

The success factors

- The story
- Customer focus
- Willingness to offer a guarantee
- Working to a plan
- Surrounding the business with 'true believers'
- Embracing change
- The partnership
- Perseverance and passion

The story

Visitors simply love the story of Paronella Park. No other place in Australia provides such an experience and the opportunity to re-live the dream of José Paronella. Visitors are enthralled by the tale of a man who spent 25 years creating a dream before he ever received a financial return—his achievements with building castles and hydro-electric schemes and his

battles with floods, negativity from the locals, the 'black hard gang' (a local extortion group) and the tax department.

All the marketing and promotion of Paronella Park is about the story and José Paronella's dream, not the Park, the facilities or its services. In particular, staff comment on 'Mark's passion about the story permeating the place' and his being a source of inspiration and motivation. When recruiting staff, Mark and Judy look for potential workers' ability to tell a story in a positive and motivating way.



Guided tours

Customer focus

'Everything we do is targeting that customer experience,' Mark regularly says.

Paronella Park goes to extraordinary lengths to cultivate that relationship with customers. All customers are greeted in the carpark and provided with an umbrella if it is raining. Upon leaving, customers are encouraged to fill in a visitors' book that provides space for an email address. Mark expects that within two years they will have over 20 000 email addresses, which, with one click, will allow regular updates and reminders about Paronella Park to be sent across the world.

As visitors are leaving, the staff present them with a bookmark with a thank you message:

Special thank you.

You have just visited the award-winning Paronella Park. We strive to continuously enhance the Park. We thank you for your support. We do not receive any government assistance. Your support is critical to our success. Please spread the word.

Mark and Judy Evans.

Mark and Judy understand the psychology of giving. The power lies in how you give and in their simple message: 'If you have a moment please read the thank you note on the back'.

Willingness to offer a guarantee

In keeping with their belief in total customer service, Mark and Judy offer a guarantee to their international visitors: 'If Paronella Park is not the surprise of everything that you have seen and done in Australia, we will refund your admission charge in full. No questions asked'. Marks says, 'We have a proportion of visitors arriving as sceptics, but they leave as believers and supporters ... and the more sceptical, the more powerful the believer ... Word of mouth is so powerful'.

Working to a plan

Right from the start Mark and Judy have worked to a plan. At the beginning they drew up a list of 60 actions they needed to take. Each year they prepare a tourism award submission that becomes the *Paronella Park Annual Report Card* and details their aspirations for future initiatives.

Surrounding the business with 'true believers'

Paronella Park is constantly surrounding itself with people who believe in their dream and want to share it; Mark and Judy refer to them as 'true believers'. These true believers are not just staff but also such people as the bank manager, the accountant, the electrician designing their outdoor lighting, local councils, parliamentarians and media people.

To build a network of true believers in the business community, Paronella Park has a weekly email service, contacting car hire firms, motels, bed and breakfasts, tourist information centres, and so on. These emails detail updated offers and the latest developments and simply communicate the message 'Don't forget us'.



The enchanting ruins

Paronella Park sponsors dinners for volunteers at visitor information centres throughout the region. It also pays \$1 to any information centre that refers

a person to Paronella Park through its discounted voucher system.

Embracing change

Paronella Park sees change as both necessary and positive. The story of Paronella is still evolving, and it is vital that staff are willing to embrace the changes. Mark Evans has an insatiable appetite for that 'other idea' that will increase customer satisfaction and improve the quality of the Paronella experience.

The partnership

Many people admire the strength of the Mark-and-Judy partnership: 'They complement each other beautifully,' says Sheila Lawler, the business manager at Paronella Park. Judy Evans puts it this way: 'We bring different skills to the Park. Mark is the "mouth", marketing and selling the place. I have the economics, accounting and computer background'. In a remarkable way, the strength and complementary nature of Mark and Judy's relationship is a reflection of the relationship between José Paronella and his wife and business companion Margarita.



Mark and Judy Evans

Perseverance and passion

The Evans can be compared with the Paronellas in other ways too. Fundamentally, they believe that 'if you want something bad enough, you will achieve it'. Both couples have had to fight the cynicism of the locals and the sometimes devastating impact of tropical weather. Both are also wonderful examples of the importance of 'being passionate'. Without passion and persistence, Paronella Park would not be a reality.

Advice to others contemplating rural business creation

According to Mark Evans, there are four essential success factors: 'Seek complete customer satisfaction, plan, surround yourself with the right people, and believe in yourself and that thing called persistence'.



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Prairie Hotel



In 1991 Jane and Ross Fargher, faced with an uncertain future on their fourth-generation pastoral property, bought a run-down pub in the South Australian town of Parachilna—population seven. Today the Prairie Hotel is the most awarded Outback hotel in Australia and a national tourism icon. The Hotel's accommodation, 'feral food' cuisine and hospitality are famed for their style and innovation, and Jane and Ross have become insistent promoters of a positive image of Outback Australia and the immense potential that lies in rural tourism.

The story so far ...

Austin summarised the story of the Prairie Hotel:

When Jane Fargher took over the Prairie Hotel in 1991, it was a run down pub serving beer to the locals. But she saw its potential. Today, the Prairie Hotel is a four star establishment that attracts the champagne set to South Australia's beautiful Flinders Ranges and caters for film stars, opera buffs and other sophisticated visitors. Jane has done it with fine wine, great food and superb accommodation. (2001, p. 26)

Jane and her husband Ross are fourth-generation pastoralists operating Nilpena Station, an 87 000-hectare property in South Australia's Flinders Ranges. Responding to the uncertainties of pastoral life and fluctuating commodity prices, they decided to diversify into the tourism business. In 1991 they bought their 'local', the Prairie Hotel, built in 1906 and situated 35 kilometres from Nilpena, at Parachilna. Parachilna, with an official population of seven, is 470 kilometres north of Adelaide. Being a typical isolated bush pub, the Hotel was rather run down and, in Jane's words, 'We liked a good time and a drink, and it was not happening!'

The Farghers realised from the start that they needed 'a point of difference'. They emphasised excellent food, quality wine and good old-fashioned Outback hospitality and quickly set new standards for that hospitality. In particular, the Prairie's reputation for innovative Australian cuisine, 'Flinders feral food', spread.

In 1997–98 Jane and Ross decided to upgrade the accommodation. Without losing the charm and appearance of an Outback pub, a \$1.2 million redevelopment transformed the place with innovative extensions, including new bedroom suites, 1 metre below ground level so as to achieve natural temperature control. The result was sensational and provided an 'eclectic blend of modern living and new Outback living' (Austin 2001, p. 26). Their extensions were fully integrated with the pub's original brick, corrugated iron and sandstone building, as well as helping to generate and conserve energy. For this, Jane and Ross received an Award of Merit for Energy Efficient and Ecologically Sustainable Development in the Royal Australian Institute of Architects (SA) 2000 Design Awards.

In 1999, because of its reputation for style, an innovative gourmet menu and excellent service, the Prairie won the *Yellow Pages* South Australian Tourism Award for Tourism Restaurants. Since 1999 Jane and Ross have continued to be 'market opportunity obsessive' and to seize opportunities when they arise. The following are some of their initiatives:

- developing a separate budget-accommodation complex—the Parachilna Overflow—and securing a contract for accommodation and meals with a national backpacker bus company, Adventure Tours. They are currently averaging 100 backpackers a week, rising to 150 in summer
- the purchase of a marquee to allow the restaurant to operate outside its four walls and the introduction of 'Outback catering'

- offering conference and function facilities for up to 50 people
- securing a number of catering contracts for special events—for example, the Variety Club Bash, New Year's Eve celebrations, and Lee Kernaghan concerts
- establishing links with the film industry and allowing use of the pub as a location survey point. Films such as *Rabbit Proof Fence* and *Holy Smoke* have since been made in the area, with luminaries such as Kate Winslett, Harvey Keitel, Jane Campion and Phil Noyce staying in the Prairie during filming
- securing a 15-year lease on the tavern in the coal mining town of Leigh Creek, 70 kilometres to the north, and converting it into the Flinders Outback Tavern. This facility, with 24 motel rooms and 42 cabins, will cater for the growing backpacker and family-group markets and help extend the possibilities with the film industry.

As Jane says, 'It's amazing what ideas and initiatives have come out of a bottle of red wine!'

This evolution into a multi-award winning hospitality business and an Outback icon has not been without its challenges, though. First there was the battle with locals: there are only four private and permanent residents in Parachilna, but they strongly resisted the change and the increasing number of visitors. The Farghers received early advice—'Locals will break your heart'—but they decided to rise above it.



A Prairie sign

Second, initially Jane and Ross's financial commitments were stressful. Building renovation expenses overran by \$200 000, and investment in *Opera in the Outback* lost the hotel, as a creditor, \$50 000. Despite these difficulties, there was a belief and expectation that the investment would ultimately

bring positive returns. The Farghers simply planned to be there for a long time.

The impact

For an isolated location with a population of 'three to seven seasonally adjusted', the Prairie Hotel has had a remarkable effect in terms of local employment and quality of life, tourism and hospitality industry benchmarking, and the Australian film industry.

Local impact

The Prairie has certainly contributed greatly to opening up this part of the Outback to travellers. The flow-on effects of the innovations can be seen at a variety of levels:

- *Profile.* Parachilna is no longer 'just a dot on the map'. As Jo Litson, travel writer for the *Weekend Australian*, put it, 'Parachilna is a mere blip on the edge of the Flinders Ranges, official population seven. The reason to include it on any trip to the area is the Prairie Hotel, an outback oasis that offers the chance to go feral in style' (13–14 October 2001, p. R36). The appeal of the Prairie and the Fargher family has resulted in massive exposure for the Flinders Ranges region through magazine articles (for example, the *Gourmet Traveller Restaurant Guide to Australia*, *Outback Magazine*, *Travel Guide for the Millennium*, *New York Gourmet* and *Food and Travel*), television programs (for example, *Spirit of Australia*, *Postcards*, *Getaway*, *Australia by Numbers* and *The Today Show*), and newspaper articles (for example the *Adelaide Advertiser*, *The Age*, the *New Zealand Star Sun* and the *Weekend Australian*).
- *Employment creation.* There are 12 staff on the payroll and the number rises to 25 at peak times. The annual wages bill exceeds \$350 000, which has flow-on effects for other local and regional businesses. The employment positions are well regarded, ensuring the attraction and retention of young people. Over 80 per cent of the Prairie's employees are under 30 years of age. Tourism has also brought young people back as residents of the area. As Jane says, 'There's nothing in Parachilna outside the hotel that would allow your grandchildren to come back'.
- *Quality of life.* The Prairie Hotel is not your typical Outback pub. Not only does it shine in terms of cuisine and drinking options; it has also been the catalyst for a regular and diverse range of special events, which break down the sense

of isolation that Outback communities often feel. The most recent Lee Kernaghan concert attracted 2300 people to Parachilna.

- *Community participation.* Management and hotel staff are active members of the Parachilna, Beltana and Blinman Progress Associations. The Hotel is the only commercial enterprise in the town of Parachilna and operates as the post office, newsagent, bank and general store for townspeople and surrounding station owners.
- *Example.* The Farghers' willingness to take risks and explore and implement initiatives has encouraged others to see their region as a place of enterprise and employment opportunity. Today, most pastoralist families in the Flinders Ranges have incorporated tourism in their economic activities, while the local Igawarter Aboriginal community manages cultural tourism experiences. Numerous businesses in the Flinders region give the Farghers credit for being a catalyst and inspiration for the establishment and/or growth of their business.

Tourism and hospitality industry impacts

Without doubt, people such as Jane Fargher have 'lifted the bar' for standards, style and customer service. Typical of customer reaction is that of Aram Kaprielian, President of the US Travel Quest Group, who, after a tour associated with the 2002 solar eclipse, wrote,

I do not typically take time to write to hotels, but I feel that I must take a moment and congratulate you and the entire staff for what was the absolute highlight on our Australian Eclipse Adventure ... You made a more lasting impression than Sydney, the Barrier Reef, Adelaide or Melbourne!

Family impacts

Although the hospitality industry can be costly in terms of family life, the Prairie Hotel and its creative initiatives have engendered a new awareness and opportunities for the Fargher children. Oldest son Lachlan has now opted for a career in the hospitality industry and is doing a traineeship in hospitality through Hospitality Group Training, with the Prairie Hotel as his workplace provider. Younger son Edward, now in Year 11, is enjoying film-making as a school subject and recognises the opportunities that have come his way through the family's involvement in the film industry. He recently was involved in editing the new Holden Crew Cab utility commercial filmed near the Prairie. '\$500 is not bad money for one's first paid job!' says Jane.

Impacts on the Australian film industry

The Prairie Hotel has ensured that Parachilna has become a 'film-friendly' place. That has had a huge impact on both the profile and the economy of the region. As noted, feature films such as *Rabbit Proof Fence* and *Holy Smoke* have used Parachilna and the Prairie Hotel as a base.

In 2001 the Farghers were involved in the production of two feature films and eight commercials. Ross has developed a special interest in the film industry and is often involved in production. He was an assistant director of the second unit for the production of *Rabbit Proof Fence*.

With the new accommodation facilities at Leigh Creek, an American feature film, *Stealth*, is to be produced in March–April 2004. Such a venture involves 40 to 60 set-construction workers for six to eight weeks, followed by 150 film crew members for another two weeks. This represents another exciting opportunity for Ross: he has been offered a 20-week salaried position, allowing him to continue with his usual station routine while assisting in the coordination of *Stealth*.

Typical of the Hotel's flexibility in relation to customers' needs has been a willingness to provide flexible catering and bar facilities to accommodate the film industry's need to work with the best hours of sunlight.



The shearing shed

The success factors

The Farghers, Prairie Hotel staff, tourism commentators and satisfied customers focus on six success factors.

The success factors

- The passion of Jane Fargher
- Style, innovation and decadence
- A unique location
- A strong customer focus
- Staff pride, enthusiasm and involvement
- A sense of fun

The passion of Jane Fargher

Margii Caldwell, manager of the Parachilna Overflow, has no doubt about the reason for the success of the Prairie Hotel: 'It's Jane's enthusiasm that keeps us here. You can't help getting caught up in her passion'.

Jane is naturally a creative and enthusiastic soul, with a can-do nature. Nothing is approached in half measures. For her, 'You can do anything you dream. Nothing is impossible. There are no limits'. Her energy and commitment are supported by her long involvement in the tourism and hospitality sector. Before coming to the Flinders Ranges in 1984 as a newlywed, Jane had travelled extensively and worked overseas in the hospitality sector. She developed the European love of good eating, great wines and bonhomie. She has established links throughout the national and state tourism industries.

Style, innovation and decadence

Style, innovation and decadence have always been a priority for the Prairie Hotel. As one young staff member observed, 'Jane is in touch with what city people like'. Denis O'Byrne, author of Lonely Planet's *South Australia*, reinforced this observation: 'Owners of the Prairie Hotel have worked hard to create an oasis of comfort in this sleepy spot, and they've been very successful'.

Typical of the excitement and expectation the Prairie can generate is Jane's welcome note to guests:

Welcome to the remote bush Hilton. We offer more stars than any swanky city hotel. Shake off your conventional city values and indulge yourself in the relaxed style that the Prairie has become so

renowned for. You have come to one of Australia's three 'hip' hotels; hope you enjoyed the journey here.

We apologise for the lack of TV and phones in the rooms, but it's a Prairie tactic to flush you out of your rooms to soak up the environment. A setting sun is worth more than the evening news! And guess what? The paper is delivered daily at 7.00 am anyway ...

Why do people fly in from all over the world to stay or eat here? You'll just have to see for yourself.

Thank you for choosing to stay at Australia's most awarded Outback pub. But don't just stay here, join us! We want the Prairie to be more than an Outback bed.

It is beer o'clock!! See you on the verandah.

—Jane Fargher, your elusive host

The Prairie has become a popular resting place for Outback travellers interested in a new style of accommodation and hospitality. The basic 1970s furnished pub with shared bathroom facilities has limited appeal. Jane believes that the Prairie has opened up the Outback to more people through focusing on comfort. She is adamant that other Outback communities and hospitality establishments need to learn that truth: 'While people want to go to the Outback, many want some comfort. If accommodation and experiences meet their expectation, they will really enjoy it, but people need more than just landscape and accommodation' (cited in Austin 2001, pp. 27–8).



Ross Fargher and film director Phillip Noyce

A corollary of this is Jane's conviction about the role innovative cuisine has played in the Hotel's success: 'I'm not saying that every hotel proprietor has to go

down the path of Australian native food, but good food is essential in the tourism industry and is an important part of people's holiday experience' (cited in Austin 2001, p. 29).

Certainly, the Prairie's 'feral food' menu, prepared by Aboriginal chef Danni Murray, has been a huge drawcard; using local ingredients whenever possible, Danni creates dishes such as feral mixed grill, wild goat curd, emu egg omelette, baked fish in paperbark, roo burgers, camel sirloin, blackened kangaroo fillet, and emu sausages. The Prairie also uses a number of its own products—quandong jam and bush tomato relish are examples. Phillip Noyce, director of *Rabbit Proof Fence*, describes the Prairie as 'one of the great culinary secrets of Australia' (Litson 2001, p. 31).

A unique location

The Flinders Ranges is one of the most scenic areas of Outback Australia. Its natural beauty is awesome. The Prairie Hotel is at the foot of the Ranges. Herbert Ypma of Hip Hotels described the setting like this:

This is a vast land of red sand dunes, spectacular gorges, forests of dead trees, sparkling white salt beds that stretch to infinity, mountains that turn purple in the afternoon sun and endless flat red plains punctuated by nothing more than the odd shrub.

Much of the appeal of the Prairie is its physical setting and, as Litson comments, 'the incongruity of an establishment of this style in such an isolated outpost' (2001, p. 31). The Fargher family's long history of connection with the area only enriches the charm of the local environment.

A strong customer focus

The commitment to giving the customer the ultimate Outback experience is fundamental for all staff. This is demonstrated by the fact that all guests are escorted to their rooms on arrival and meals are available throughout the day.

Reaction to the Prairie's service is reflected in the following comments:

- As good as the food and accommodation were, these things were eclipsed by each and every person on your staff. There was always a smile and someone able to assist everyone in our group. (Aman Kaprielian, president, Travel Quest)
- The Prairie Hotel is one of the few pubs in South Australia where you can get a meal at any time of the day. (O'Byrne 1999, p. 282)

Staff pride, enthusiasm and involvement

The primary criterion for staff selection is personality. It counts more than experience. Jane knows that, if staff are welcoming and interactive with customers, it follows that 'people linger longer, staying for a second drink, looking at the menu ... It's the chemistry of personality that makes it happen'. Margii Caldwell says, 'This is a family. You don't work for Jane, you work with her ... She encourages staff input into the business. Staff are proud to work here'.

A sense of fun

The Prairie Hotel is definitely a place of 'good times and fun'. According to Jane, there is 'never a dull moment', and that maintains the enthusiasm, interest and commitment of staff.

Advice to others contemplating rural enterprise creation

Jane Fargher's advice is as follows:

- Believe in yourself passionately, and others will be inspired. Passion and enthusiasm are contagious.
- Be relaxed in your environment, and be yourself. Following completion of our extensions and renovations we felt somewhat intimidated by the new style we had created. Ross and I are very relaxed and unpretentious people and now feel quite comfortable with our recognition that people appreciate you for what you are. They appreciate the opportunity to interact with authentic characters.

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Saltbush Clothing Company



Elspeth Radford is managing director of the highly successful Saltbush Clothing Company Pty Ltd, which she began as a country clothing label in the South Australian mid-north town of Burra in 1988. In 15 years she has led a business starting from a kitchen table and an old Bernina sewing machine to distributing her clothing collection through over 80 outlets around Australia.

The business's constantly changing casual lifestyle clothing collection and its strong focus on outstanding customer service have earned it the respect and patronage of a growing client base, plus numerous state and national business awards.

Saltbush is a wonderful story of a country woman's belief in her product and rural Australia and the importance of passion, quality and having fun. It has not always been plain sailing, but this is fundamentally a story of tenacity and steady, healthy growth.

The story so far ...

Born in the small mining and pastoral town of Burra, in the mid-north of South Australia, Elspeth Radford grew up on a sheep station. Attending the School of the Air and later a boarding school in Adelaide, she soon learned that girls were taught 'girl subjects' such as sewing—a blessing since she was youngest of four and extra money was not available for the latest fashions. She decided on a career in dress design. Her parents, however, persuaded her to study nursing: 'Get a real job that pays regular money'.

'Challenge, change and choice' are the main words Elspeth uses to describe her life and the subsequent birth of Saltbush Clothing Company. The catalyst for Saltbush was her sons Angus and Tom. In the 1980s Elspeth made most of their clothes—those cute, frilled shirts that were trendy for tiny boys at the time. But the day someone called blonde, curly-haired Tom a 'beautiful little girl' his father suggested a change of wardrobe for the boys.

Buying junior-sized moleskins and country shirts proved to be a problem, so Elspeth sewed them at home. She locked herself in the children's playpen with her sewing machine and scissors and let the children loose on the outside. The old Bernina suffered sorely because of the thickness of the fabric, but it survived. 'I didn't really know what a Pandora's box I had opened. Orders came in from friends and it grew from there,' says Elspeth.

Needing a company name, she and husband Graham decided that 'Saltbush' not only had a good country feel to it; saltbush is also a shrub that is respected, resilient and Australian—just the image they wanted for their garments. In Elspeth's words, 'Saltbush is the last plant to die in a drought, and I thought the name covered everything we wanted our clothing to be—long-lasting, resilient and tough but respected'. And so 'Saltbush. Ready for Anything' was born.

Initially, Elspeth cut the patterns at night, and a seamstress worked during the day to complete the garments while Elspeth was nursing at the local hospital. It was not long before the enterprise outgrew the home location and moved into a shop in Burra.



Humble beginnings

Before the recession of 1988 more than 8000 people were directly employed in clothing production in South Australia. The recession and the subsequent tariff reductions reduced the industry to a mere 2500. The market was flooded with cheap imported clothing, which further contributed to the demise of a large number of Australian-owned textile businesses. Unable to compete with the imports, Saltbush took the stance that it was proud to be Australian, used only natural fibres, and constructed its garments using stringent production standards.

During 1994–95 the company diversified into women's clothing and saw a 60 per cent increase in growth. Production increased from 300 garments 1995 to 19 000 in 2002. Elspeth's philosophy provides the reason for that success: 'With passion, commitment and a strong support base, you can achieve anything you want'. Now supplying more than 80 retail outlets nationally and operating two Saltbush lifestyle stores, the company's commitment to client demand and satisfaction, its testing of new marketing strategies, and its ability to create a unique 'experience' for shoppers have set it apart from other clothing brands.



The Burra store shopfront

The Burra store has been described as 'retail theatre'. Walls are littered with farm memorabilia and unused materials collected from the farm tip; the change rooms are reminiscent of country outhouses; and in the window stands an old farm bike with a recently issued parking ticket. The store attracts 10 000 visitors a year, and customers are encouraged to attend collection releases, where they can sample the range and contribute their opinions on styles and colours while they pop champagne corks. The 7000 people on the database are also part of the Saltbush extended family and contribute greatly to the lucrative mail order business.



Elspeth Radford

Through her many guest-speaking appearances, the newsletters and the website, Elspeth gently but firmly promotes something close to her heart: 'It is vital that we cross regional barriers and create an awareness for rural people and the challenges they face'. Elspeth has been instrumental in helping bridge that gap between urban and rural Australia, especially through her involvement in government bodies working with regional communities to try and make a difference.

'Ready for Anything' is not only the company slogan but also a way of life for Saltbush's management and employees. The following are among Elspeth's aspirations for the future:

- keeping the business as a niche market
- recreating the Burra store retail experience in each capital city
- ensuring that employees and management have fun yet feel a real sense of achievement at the end of each day of trading.

The impact

Saltbush's impact can be seen in various areas—business growth and success, its impact on the Burra community, and raising of the profile of rural Australia.

Business growth and success

In 15 years Saltbush has grown from a single-machine operation in a homestead to a wholesale and retail textile company distributing through 80 stores all over Australia. Besides the indirect employment contribution through these retail outlets, Saltbush has generated 10 employment positions in production

and in its own retail outlets. Most of the employees have a rural background and the rural values of honesty, integrity, a strong work ethic and a great sense of humour. Saltbush's success and innovation are reflected in a wide range of awards won by the company and its managing director:

- winner of the Telstra and South Australian Government Small Business Award for a business with fewer than six employees
- finalist in the Telstra and South Australian Government Small Business Award for a business with fewer than six employees
- the Business Show's Business Plan Award
- the South Australian Mid North Tourism Award
- finalist in the Telstra South Australian Business Woman of the Year
- the Westpac and Rural Press Inspiration Award.

The impact on the Burra community

Burra is proud of Saltbush. Besides the local job creation, Saltbush has become a tourist attraction. The local information centre promotes Saltbush, saying, 'The brightly lit store offers an unequalled shopping experience and many city visitors make sure they drop in and have a look, often becoming Saltbush converts'.

Raising the profile of rural Australia

Quite apart from the core textile business operation, Elspeth's passion for raising the profile of rural Australia has inspired and created many opportunities for regional businesses and has been instrumental in fostering understanding and respect between the rural and urban sectors.

Elspeth is an ambassador for rural Australia and has developed strong, proactive links within the Burra community. Through guest-speaking arrangements and sponsorship, Saltbush has sought to actively support the local and broader rural community. Working with key groups both inside and outside the direct geographic area, Elspeth grasps every opportunity to motivate others to challenge barriers, grow, and share in her country lifestyle. She believes,

If I can get one kid to push the boundaries to do what they want, I have achieved my goal. I believe we have a social and community responsibility to ensure that our youth achieve their full potential without relinquishing their rural roots.

Elspeth's commitment to rural Australia has resulted in her being chosen as a member of the Deputy Prime

Minister's Regional Women's Advisory Council and Regional Business Development Analysis Panel. 'At Saltbush, we're working hard to bridge the divide between our cities and regional Australia,' she says: now half of Saltbush customers are urban.

The success factors

For Elspeth Radford, seven key factors underpin Saltbush's success.

The success factors

- A commitment to values
- Marketing intelligence: the customer
- Family support
- Employee development
- Change management
- Rural location
- Planning and monitoring

A commitment to values

Saltbush's commitment to values is captured by Elspeth's reflection in her *Spring/Summer 2002 Catalogue*:

I suppose it's because we are entering our 15th year (remember being 15 and wanting to change the world?) that I have been a bit introspective lately. I wanted to know that the ideals my husband Graham and I had when we started Saltbush were still alive and well and guiding the company today. I also wanted to make sure our values were still intact. With that in mind, we've had our values 'checked' by a company that specialises in this. All of us who worked at Saltbush went through a Values Workshop and the result was really great. I'm very proud to tell you that values like honesty, hard work, happiness, originality and friendship are dominant in our company.

Marketing intelligence: the customer

According to Elspeth, the textile industry is

littered with the carcasses of quite often brilliant designers and experienced marketing strategists who have not survived the five-year minimum trial period for launching a successful fashion label. Their demise can almost always be attributed to three factors—poor financial control, failing to stay abreast of the customers' often fickle and changing

needs, and generally losing sight of the company's original focus, its reason for being.

Everything Saltbush does—be it design, fabric selection, quality control, promotion or pricing—is aimed at meeting the customers' needs and demands. 'At Saltbush we never forget that it is our customer alone who keeps us in business,' says Elspeth. Saltbush has established a unique rapport with its customers, who appreciate Elspeth's taste and quality standards. This customer focus is embraced with a tried-and-true formula:

- All aspects of the Saltbush range are designed to meet customer needs. Customers are asked what they want to see in the range, and Saltbush employees and those selling through supplied retail outlets are encouraged to feed back comments, both positive and negative.
- Staff are constantly brought up to date on overseas style and colour trends and the influence they have in the Saltbush collections.
- The product is of high quality and timeless. 'Our clients are aware that the timeless styles, quality fabrics and workmanship more than justify the price. They know each purchase is an investment in their personal style,' says Elspeth. As one Adelaide customer said, 'When I don't know what to wear, I get out my 6-year-old Saltbush skirt, re-accessorise with ideas from the catalogue, and feel fabulous'.
- Saltbush replaces goods: 'If a client is unhappy with a purchase or feels it does not perform to their expectations, it is replaced without question,' says Elspeth.
- All employees, as well as staff of interstate outlets, are seen as part of the Saltbush customer mix. They are fully trained in the company's culture and its products.
- Mail-order customers are included in all promotions via email or online, and systems have been developed to encourage repeat orders. All products sent out to customers carry a reply paid card soliciting feedback on the styling of the product, its quality and the service delivery. A strong bond is being forged between the mail-order customers and the face behind the garments' design: mail order now accounts for 10 per cent of the company's business.

The Company's dedication to quality is summarised by Elspeth:

The more we grow, the stronger is my commitment to the garments we create for our customers. We've proven that our combination of classic design, casual look, high-quality fibres and strict adherence to the finest production method results in a unique range of clothing.

Family support

Support from the family unit has been vital. A burgeoning company places its key operators under pressure on all fronts. Irregular working hours, a need for capital, and travel can be disruptive to any family. But, as Elspeth says,

If ... all family members share a common goal and choose to be part of the team that makes it a reality, everyone benefits. Relationships become stronger, a new element of shared interest is introduced, and children see and learn of the rewards of teamwork, responsibility and the importance of honoring commitments.

Employee development

Saltbush prides itself on its Employee Personal Development Program. Elspeth believes her employees are the lifeblood of the company. They are encouraged to be ambassadors not only for the company but also for rural South Australia as a whole. They choose to wear Saltbush both on the job and after hours. Georgie Copping, from the Adelaide store, says it all:

Saltbush is a big family that includes our customers. We try to learn a little bit more about each of our customers whenever they visit. It helps us understand their design needs and makes shopping with us a personal experience they enjoy ... As team members our roles and responsibilities are varied. We are multi-skilled, so if someone is away, it's business as usual. We are always learning.

Change management

Embracing change is fundamental to a business such as Saltbush. Elspeth often quotes Arnold Bennett: 'Any change, even change for the better, is always accompanied by drawbacks and discomforts'. *Friday Magazine* quoted Elspeth on change: 'The ragtrade is a lot like farming, with a lot of risk and change from year to year. Being successful comes down to being aware and willing to adapt to the challenges that present themselves' (Cullen 2002, p. 4).

A fashion label's ability to survive can be entirely dependent on customers' acceptance or rejection of its

latest range. If a garment or product is not applauded by agents, retailers or, ultimately, the customer, Saltbush goes to great lengths to find out why. Production is instantly tweaked and a contingency plan put into operation.

It is this close and personal analysis of customer attitudes and Saltbush management's ability to accept and implement change that has contributed to the company's success: 'There is no room for ego in this business; one of our greatest strengths is our ability to respond quickly and efficiently to customer demand,' says Elspeth. This proactive stance is carried through to all aspects of the business. Management is constantly investigating more sophisticated manufacturing techniques that will be beneficial for quality, price and supply deadlines. Similarly, new fabrics are sourced and performance tested for possible inclusion in the Saltbush range.

But embracing change does not stop with the product: employees and all members of the supply chain are encouraged to contribute ideas for a more efficient operation.

Rural location

Saltbush designs are created to be the essence of, and to reflect, Australian country living. Elspeth was inspired by the colours and textures of the Outback. Like her, the Saltbush Clothing Company was born and bred in the rugged and beautiful landscape of South Australia's mid-north. Elspeth says,

The challenges we face being based in the bush have made us stronger. You don't have to have a trendy capital city address to run a successful business. Being regionally based has so many positive aspects. Overheads tend to be lower, we have a wonderful labour source—people who share our work ethic and are prepared to learn and work flexible hours—and, on a personal front, we are able to raise our children in a safe, healthy environment.

Elspeth is adamant that technology has also made a big difference to operating from a rural location. It has given regional areas access to world markets. As managing director of Saltbush, she is ultimately responsible for the design, marketing and production of her brand. Information technology gave the Saltbush head office the benefits of field offices—by providing information that could be sourced and acted on immediately. Decisions on design, production, sales and customer service could be made with the touch of a button. Elspeth's advice is, 'Invest in the best equipment and learn how to use it'.

Another great quote from Elspeth is this:

For small communities the success of a small business can be a real inspiration. Similarly, a vibrant rural community can make or break an emerging business prospect. Saltbush Clothing, for one, would not have been possible to create in a capital city. It was the regionality of our business that helped. One of my growing inspirations is to erode the urban/country divide. The strong growth of Saltbush Clothing in Australia's major cities shows we have a lot to offer our urban cousins. (Cullen 2002, p. 4)

Planning and monitoring

Elspeth also endorses the importance of planning and 'not simply coasting from day to day, month to month, jotting down notes and hoping for the best. You cannot afford to fly by the seat of your pants'. She has developed a business plan for Saltbush, a formal plan of action with time frames, key performance indicators and expected outcomes. The Saltbush team monitors progress regularly and changes are made when necessary. As Elspeth says, 'There is no substitute for discipline, planning and keeping your eye on the ball. Research the market, identifying the unique product attributes for your business base. Plan, keep abreast of your competitors and believe in yourself'.

Advice to others contemplating rural business creation

Elspeth Radford offers this advice:

With passion, commitment and a good support base at home you can achieve anything you want. The key ingredients to running a successful business are honesty, integrity and loving what you do. I believe that you can be what you want to be and work where you want to work, as long as you have passion for what you do, never accept second best, and have fun doing it.

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Seahorse World



The mystical, lovable seahorse has always been a source of attraction, but fishing and habitat destruction have caused a dramatic decline in the creature's numbers throughout the world. Now, at Beauty Point in northern Tasmania a unique facility has been established, designed to conserve the seahorse and at the same time provide an excellent tourism and educational experience.

In just three years Seahorse World has become a major attraction. With over 110 000 visitors in its first two years of operation and with 24 staff, Seahorse World is a wonderful illustration of both business and environmental achievement.

Its impact on employment and the economic life of a small rural community is also an outstanding story.

The story so far ...

The creation of Seahorse World is a story of the idealism and drive of three individuals—Colin Ward, Bill Morris and Emeritus Professor Nigel Forteach—who had a vision that encompassed environmental, tourism and business goals.

The vision had its origins in 1993, when Nigel Forteach, as Professor of Aquaculture at the University of Tasmania, was confronted by a group of students seeking a year-long project. Having just read a *National Geographic* article about the plight of the seahorse—with over 20 million of them being extracted from the ocean for Chinese medicines—but having no specific seahorse knowledge, Professor Forteach naively suggested a project on breeding seahorses. The students accepted the challenge and, led by Professor Forteach, gained permission to collect 10 seahorses from the Tamar River for breeding purposes.

The project took the team on a steep learning curve: initially, no one even knew how to differentiate between the male and female of the species or what to feed them. They managed to get the seahorses to dance, but not to breed, and so began the search for the right breeding environment, which they eventually created by deepening the facility they were using at Beauty Point. Now, 10 years on, over half a million seahorses have been bred in captivity.

In 1997 Professor Forteach was recruited by a business group interested in farming seahorses in Victoria. With his passion for Tasmania, he persuaded them to consider Tasmania as a site instead.

In 1994 the Tasmanian Premier had recruited Bill Morris to attract new businesses and industries to Tasmania, especially the Tamar Valley. He became involved with the Victorian group in the creation of Seahorse Aquaculture in 1997, using an old apple and wheat store at Inspection Point Wharf, Beauty Point. The venture involved an initial licence permitting the use of 600 wild-caught seahorses for breeding purposes. From the very beginning people were intrigued: 'People were always knocking on the door wanting to see the seahorses,' says Bill Morris. It was a logical step to consider moving into tourism.



The mystical, lovable seahorse

A 1998 marketing plan by Tourism Tasmania revealed that the breeding initiative had underestimated its tourism potential. Seahorse Aquaculture was not interested in tourism, so a new consortium, involving Colin Ward, Bill Morris and Professor Forteach, began exploring a separate tourism venture alongside the breeding project. In 1999, through a federal government grant (under the Regional Assistance Program) administered by the Tasmanian

Employment Advisory Council, \$30 000 was provided for a study of the feasibility of a \$1.1 million seahorse tourism venture alongside the breeding operation at Inspection Head Wharf.

The study provided the catalyst for the creation of a new business—Seahorse World Pty Ltd, funded by 11 shareholders, 90 per cent of whom were Tasmanians and over 50 per cent of whom had an aquaculture background. The business's mission statement was:

To establish and operate a commercially sustainable visitor interpretation centre and seahorse farm to increase public awareness of seahorses; supplement our knowledge of seahorses through research; provide local employment opportunities; and provide a satisfactory return to investors.

Today Seahorse World is a unique facility designed to give its 60 000-plus visitors each year an educational experience and insight into the life cycle of the seahorse, within the context of a high-tech working farm. The focus is on providing a personalised, friendly and informative experience. The educational component offers four experiences:

- the Cave of the Seahorse—an exhibit of Syngnathidae fishes, including sea dragons, seahorses and pipefish from around Australia
- the seahorse farm, demonstrating the life, from birth to adulthood, of thousands of pot-bellied seahorses
- a boutique aquarium featuring Tasmania's native freshwater fishes, marine species (including sharks), aquaculture species, a touch pool and a frogger
- films shown in a theatrette and at the Australian Maritime College Marine Environment Centre.



The Cave of the Seahorse

Professor Forteath explains the rationale for the facility:

There are several tropical, semi-tropical and temperate marine–fresh aquaria in Australia. Some of these have spectacular walkways, which permit patrons to walk beneath large tank systems holding sharks etc. However, we believed there was a need for a real educational aquarium, having defined themes that highlight conservation needs for various species and the plight of wild fisheries.

The distinctiveness of Seahorse World lies in the fully guided tour provided by the staff. Their ability to excite and enthuse visitors is a hallmark of the venture.

In addition to the educational experience, Seahorse World also operates the Tasmanian Wine and Craft Expo centre; the 120-seat Waterfront Cafe and Restaurant, which features Tasmanian fare and offers a magnificent view of Port Dalrymple; and a gift shop. There have, however, been challenges along the way:

- the sale of the original seahorse farm business, Seahorse Aquaculture
- maintenance of water quality
- location—getting people to travel 50 kilometres from Launceston, along a one-directional road, requiring the creation of a new tourism route.

In particular, the sale of Seahorse Aquaculture forced Seahorse World to become self-sufficient: initially the original business provided many supports, including technical assistance, joint use of staff, and feed.

Today's challenge is to continue to improve the product and to find other creative and interesting ways to demonstrate the charm and features of the seahorse. The enterprise aims to increase the quality and quantity of displays, to focus on the development of interactive displays to engage visitors more actively, and to develop further seahorse-related retail products. Professor Forteath also has three global environmental dreams for the future:

- to stop the world trade in ocean-caught seahorses for aquariums
- to have a major impact on the annual extraction of 25 million seahorses from the ocean for the Chinese medicine market
- to breed sea dragons in captivity.

At the local level, he envisages the development of an environmental tourism cluster at Inspection Head Wharf. With the opening in 2000 of a venture that will feature Tasmanian native butterflies and the

platypus, his vision is beginning to take form. Already attracting 18 per cent of the 300 000-plus people who visit Launceston each year, Seahorse World has its sights on 25 per cent of that market.

The continuing appeal of Seahorse World is reflected in the growing number of requests for educational and tourism media stories. Already the venture has been featured on *Landline*, *Getaway*, *The Great Outdoors*, *Behind the News*, and the German *Kable One* program.



The touch pool

The impact

Seahorse World has had a dramatic impact at many levels, but most particularly in terms of the local economy, local employment, tourism and the environment.

The local economy

Despite Seahorse World's relatively short life, the venture has created many economic benefits for the communities of Beauty Point, Beaconsfield and the wider West Tamar and northern Tasmanian

regions. Among these benefits are local employment, philanthropic donations to local community groups, and the flow-on effects associated with increased tourism, especially effects on other tourism and business ventures. Many local businesses are delighted by the presence and continuing growth of Seahorse World, which has directly increased the number of visitors to the area, resulting in some businesses expanding and operating during weekends. Evidence of other businesses taking advantage of the increased visitor numbers is plain. Stephen Ritchie, owner of the Beauty Point Service Station, says, 'The impact on the community has been terrific. Since Seahorse World opened our customer base has increased substantially through increased passing trade'. Craig Seen, director of another service station and roadhouse, commented,

Since Seahorse World started its operations, we have had a huge increase in tourist numbers, which has been a much needed boost to the economy of the lower reaches of the Tamar Valley. This attraction has made it possible for us and other small businesses to maintain our staff levels. Beaconsfield Gold Mine Museum, hotels and other businesses in the region are benefiting from the professional management of Seahorse World ...

In 2002 the Rotary Club of West Tamar awarded its annual Vocational Award to Seahorse World—the first time any tourism venture had been a recipient. Clem Treezise, vocational services president, said the award was recognition that Seahorse World was 'an excellent and exciting educational and tourism venture drawing many tourists to the area and providing new export and employment opportunities'. Seahorse World's presence at Inspection Head Wharf has also fostered new business start-ups: the *Shuttlefish* ferry and *Windsong*, a cruising catamaran, are two recently opened businesses operating from the wharf.



Seahorse breeding tanks



Seahorse World also contributes significantly to the local economy and other business development through:

- a policy of 'buy local' wherever possible
- cross-promotion and networking initiatives with other local businesses, including discounted entry for their customers
- the Wine and Craft Expo centre providing an outlet for local vignerons and craftspeople who lack their own cellar door or outlet. The Wine and Craft Expo and the gift shop sell products from more than 30 local businesses.

It is clear that Seahorse World has played a significant role in bringing Beauty Point back to life and in adding to its appeal as a place to live and work. The rapid increase in property prices is a reflection of outsiders' change of attitude towards the community.

Local employment

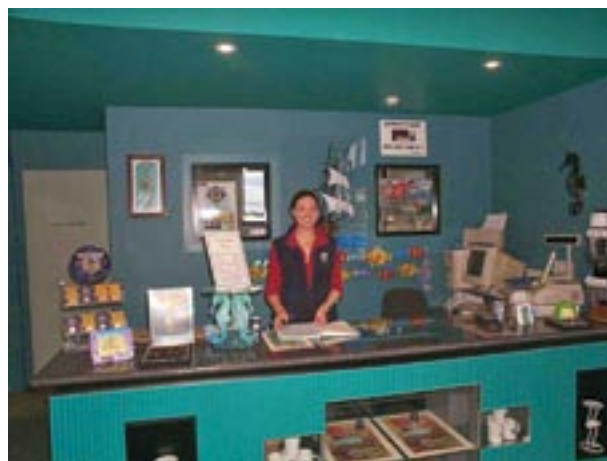
Seahorse World currently employs 24 staff, all but one of whom live locally. It is committed to filling all positions locally whenever possible. The employment experience and opportunities are very unusual for a rural community and highly sought after. Key features of Seahorse World's employment are:

- Ninety per cent of employees are under 30 years of age.
- Fifty per cent of employees have tertiary qualifications.
- There is a range of traineeship positions.
- All staff are multi-skilled.
- Staff turnover is low.

Staff member Lauren Koerner, aged 18 years, commented, 'You really value your job. We are making a difference ... It is such a magical place to work. Often I walk in here and just think "Oh, my God, I work here!"'

Seahorse World is also very committed to being a beacon in terms of 'good jobs in rural communities'. It uses school vocational schemes and work experience programs as a means of exposing young people to the possibilities. Aquarium manager Dianne Maynard says,

We are committed philosophically to taking students from a range of local schools on work experience. Our aim is to encourage their future education by seeing the benefits of obtaining qualifications in aquaculture and marine studies and the opportunities to work locally.



The gift shop

Tourism

Seahorse World has become an important tourism venture for Tasmania. Besides being the only seahorse farm in the world, it is also the largest aquarium-based attraction in Tasmania. It already attracts 60 000-plus visitors annually, but its appeal is likely to increase, especially because it fosters the development of complementary environmental businesses at Inspection Head Wharf.

The following comments from tourism professionals describe Seahorse World's value to the Tasmanian tourism market:

- Seahorse World has proven to be a very popular attraction to visitors to Tasmania and the local population. The combination of a range of displays with good interpretation deliver an educational and rewarding experience to people keen to understand more about our marine world and the fascinating creatures that inhabit that world. (Jane Foley, general manager, Care Strategy Development, Tourism Tasmania)
- Seahorse World has proven to be an important component of Tasmanian marketing progress due to the unique product and experience that it makes available to visitors. It is a product that is of interest to adults and children alike and therefore enhances the range of Tasmanian experiential opportunities. Additionally, due to its location, it enables itineraries to be planned that benefit the regional areas of Tasmania, rather than only city based activities. (Gail Murray, manager, Sales and Marketing, Tasmania's Temptation Holidays)



Tasmanian Wine and Craft Expo centre

The environment

The directors and staff of Seahorse World are rightly proud of their contribution to raising awareness of the seahorse and its threatened status, as well as their breeding success; Dianne Maynard boasts, 'In the wild, when seahorses breed they have a very poor survival rate of 2–4 per cent. At Seahorse World, we get very concerned if we drop below 85 per cent'.

A partnership with the Australian Maritime College complements the environmental education goals of Seahorse World: its displays and interactive technology help raise awareness of the need to maintain healthy coastal ecosystems. One display features fishing-gear technology designed to show how a less detrimental environmental impact on coastal ecosystems can be achieved and how to reduce by-catch.

The success factors

The success of Seahorse World relates very much to the project, the location, and the vision and enthusiasm of the founders, management and staff. Six factors are obvious.

The success factors

- Uniqueness of product
- The founders' idealism and drive
- Enthusiastic and committed staff
- Strategic industry partnerships
- Diverse income streams
- Expertise

Uniqueness of product

In the words of general manager Georgina Wylde, 'Nowhere in the world can you see what you see here. Watching visitors interact with various elements of the centre, there is a strong "wow factor" being experienced'. The delicate charm of the seahorses is an obvious attraction, and the status of being the first seahorse farm in the world enhances that appeal.

Australasian Bus and Coach magazine summarised the enterprise's appeal from a tour coach perspective:

From a Coach Captain's viewpoint, Seahorse World is only 45 minutes from Launceston, we can drive right to the front door, have coach parking within 150 metres of the attraction and the whole area is now concrete—no mud equals clean coaches—you beauty! Of course the biggest bonus is that the passengers love it. (14 June 2002, p. 45)

In particular, the project is enhanced by two important factors:

- *Location.* Inspection Head Wharf is a stunning location at the entrance of the Tamar River. Beauty Point is an apt name for the setting.
- *The guided tour experience.* Every half an hour there is a tour with an enthusiastic staff member, which generates regular positive feedback.

Professor Forteath contrasts the experience of Seahorse World with many wildlife ventures where visitors are often left to their own devices: 'Everyone joins in the tour ... Our major conservation themes are so appealing—people are wanting to hear and see those messages'. Founder Bill Morris says, 'The uniqueness of the product made it very easy to sell to investors'.



The entrance to Seahorse World

The founders' idealism and drive

The personal commitment, energy and enthusiasm of Nigel Forteath, Bill Morris and Colin Ward is acknowledged by all who know about this venture. Their vision was remarkable. Professor Forteath was recognised for his enormous contribution to seahorses and aquaculture by being named Tasmanian of the Year in 1997 and being awarded the Centenary Medal for Services to Australian Society in Marine Science in 2003. The harnessing of the three men's vision and drive has resulted in a product that is without peer.

Enthusiastic and committed staff

According to Bill Morris, 'Using local staff has great benefits in terms of productivity. Rural people have a real sense of work ethic, and this reinforces pride in the community'.

The enthusiasm of the staff reflects the strong value that today's young people generally attach to the environment, as well as the pride they feel in being part of a world-first achievement and a quality tourist attraction. The fact that this attraction is located in their home community reinforces their sense of pride.

Strategic industry partnerships

Seahorse World's strategic partnerships with a range of organisations is an obvious strength. Among the partners are the University of Tasmania, the Australian Maritime College, Van Diemen Aquaculture Pty Ltd, the Tasmanian Department of Economic Development, the Port of Launceston Authority, West Tamar Council, Tourism Tasmania, and the Northern Tasmanian Regional Development Board.

In addition, the management of Seahorse World feels strongly about being part of the development of the Tasmanian tourism industry and is willing to contribute time and resources to initiatives that promote Tasmanian tourism products and attractions. Equally, there is a desire to cross-promote and network with local business and tourism ventures to build the comprehensive appeal of the Tamar Valley and northern Tasmania. Seahorse World regularly provides seahorse displays for state, national and international promotions. Links with Tourism Tasmania through that organisation's visiting journalist program bring journalists from all over the world.

Diverse income streams

Seahorse World started developing diverse income streams the day it opened. At present these streams include the guided tour, the restaurant, the Wine and Craft Expo centre and the gift shop. The business has also developed products and marketing strategies for specific segments such as school groups, intrastate visitors, interstate families, interstate couples, interstate coach groups and local families.

Expertise

The role of the key protagonists and their technical expertise in aquaculture, business and tourism development was an essential ingredient, as was access to graduates in aquaculture and marine studies. Professor Forteath says, 'It could not have happened without the access to expertise. So many environmental ventures fail because they cannot access appropriate advice quickly. Graduates are expensive, but they are the lifeline of this business'.

Advice to others contemplating rural business creation

Professor Forteath's advice is, 'Get appropriate expertise and technical assistance. Be prepared to pay for it'. Georgina Wylde says, 'If you really believe you have something special and unique, go for it'. Dianne Maynard has good advice, too: 'Look locally with fresh eyes at what your community provides. Mostly, locals did not even know we had seahorses in the Tamar! So dig deep locally for those windows of opportunity'.

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Stefano's Restaurant



In 2003 Stefano's Restaurant, in Mildura, Victoria, was *The Age* newspaper's *Good Food Guide* Restaurant of the Year, a first for a regional restaurant. Its owner, Stefano de Pieri, has become a well recognised contributor to the Australian food and restaurant industry. Through his acclaimed television program, *A Gondola on the Murray*, and successful eating establishments in Mildura, he has used his high profile to advocate the advantages of regional Australia.

His journey has not been straightforward, though. It has involved migration from his native Italy, career changes, disappointment, and 'tall poppy syndrome' challenges but eventually the realisation of his culinary aspirations. This is a story based on a belief in community, childhood memories, experimentation and passion.

The story so far ...

Stefano de Pieri is the youngest child of a farming family from Veneto in northern Italy. After dropping out of the College of Oenology in Conegliano, Italy, Stefano had to assess his future. He was feeling stifled by, and angry about, the conservative policies and associations of the Italian Government, so in 1974, at the age of 19, he migrated to Australia. He completed his studies at the University of Melbourne and, although he had no formal training in journalism, edited the Italian left-wing newspaper *Nuovo Paese* for seven years.

Stefano describes the next period of his life as one in which he was assisted, guided and inspired by 'intellectuals' who empathised with his belief in home-grown socialism. He experienced the trials and tribulations of the restaurant business but—despite great energy and enthusiasm—lack of knowledge and discipline contributed to the venture failing. Following this, Stefano's professional journey took him into the unlikely field of politics. Initially he was employed in the Victorian Public Service, but he subsequently became a ministerial adviser to numerous members of parliament, among them former premiers John Cain and Joan Kirner, and worked alongside a young adviser, Steve Bracks, who went on to become premier of the state.

Stefano established strong links within the Melbourne Italian community and felt they needed a greater voice politically. The multicultural experience of his own life would allow him to bring a new perspective to the political scene, he believed, so he accepted the challenge and ran for Labor Party preselection in

1991, for the Upper House seat of Melbourne North. His attempt at securing a political future through public office was, however, undermined by the notorious machinations of the Labor Party factional system. The Party offered Stefano a compromise position, but he would not accept their terms—especially the 'wheeling and dealing' that would be required.

This political defeat, although bitter and damaging to long-held friendships and working relationships, was to become the turning point in Stefano's career, if not his life. It is this episode for which the people of Mildura and the surrounding region will always be grateful. Somewhat confused about where to take his life, and experiencing what he describes as personal 'turmoil', Stefano decided that it was imperative to make his family, business and community prosper. He was determined to achieve success in another field. The failure to win preselection convinced him and his wife, Donna, to move to Mildura in 1991 to pursue another career, this time based on his passion for fine food.

Stefano speaks proudly of three inspiring people in his life—his wife and her parents, Don and Anna Carazza. They expanded his vision and encouraged him to embrace challenge, which he describes as 'above the call of duty'. Stefano joined the Grand Hotel, which his parents-in-law owned, and established his restaurant, Stefano's. Based on the simple combination of 'fresh produce, excellent wine and good olive oil', Stefano's quickly developed a reputation and by 1996 was winning awards.

Stefano's is currently the only 'three hat' restaurant in Victoria outside the metropolitan area. It is situated in the original cellars of the Grand Hotel. Seating is limited to 60 diners, who enjoy a five- or six-course northern Italian-style banquet that combines the rich diversity of traditional Italian cuisine with local produce. Diners can choose from over 500 different wines, local and imported.



The Grand Hotel, Mildura

Such is the demand for places at the dinner that advanced booking is essential. Stefano's Restaurant received *The Age's* 2003 *Good Food Guide* Restaurant of the Year award. Numerous other awards have been the catalyst for the expansion of the 'Stefano' name and culinary business, the highlight arguably being his nationally televised ABC program *A Gondola on the Murray*, which is based on a series of books of the same name. In addition to his award-winning restaurant, Stefano has diversified into a number of other food-related enterprises:

- *Dining Room One.* Formerly the Grand Hotel bistro, this is now a high-quality a la carte restaurant, offering two sittings for dinner every night as well as being open for lunch most days.
- *Stefano's Good Food Store.* This is a gourmet food outlet offering Stefano's products—home-made breads, chocolates, olive oils, pasta, relish and chutney, hats, aprons, *Gondola on the Murray* products, and so on. It is open for breakfast seven days a week and for lunch from Monday to Friday. The Store also offers catering options such as cheese platters, hampers for picnickers and travellers, dinner party preparation, and gift packs of Asian and Australian ingredients.
- *Paddle Steamer Avoca.* Moored below the Grand Hotel, by the Mildura bank of the Murray River in a beautiful setting, this 1877 paddleboat underwent an extensive refit before

opening in February 2003. Operating as a cafe and restaurant, it serves food, coffee and local wines from 11 am until late each day. It is a joint venture with local vineyard operator Bruce Chalmers.

The impact

The ripple effects of Stefano de Pieri and his restaurant can be seen at many levels. His 13-year presence in the Sunraysia region has left its mark in many ways, but particularly in terms of community and regional economic impacts, raising the region's profile, and challenging the community to extend itself.

Community and regional economic impacts

Stefano's Mildura eating establishments have contributed greatly to increasing the number, quality and variety of employment opportunities. He employs 30 full-time staff and 15 part-time casuals, but more important are the quality and diversity of positions that he directly attracts to Mildura and trains people for.

In addition, through the culinary success of his restaurants and the exposure achieved by the *Gondola on the Murray* television series, Stefano indirectly attracts scores of visitors to Mildura, all seeking this unique regional culinary experience. Tom Gilling, from the New York-based magazine *Food and Wine*, stated, 'If it's not the most thrilling restaurant in Australia, it's surely the most magnetic—it pulls most of its customers hundreds of kilometres from Melbourne and Adelaide'. This pilgrimage of admirers and customers is contributing an enormous amount to the local economy through accommodation, tour and transport firms, and spending in local retail stores.

Raising the region's profile

It has been claimed that, by winning *The Age* 2003 *Good Food Guide* Restaurant of the Year award, Stefano has ensured that Mildura, and the Sunraysia region, have a place on Australia's culinary and tourism map (Guy 2003, p. 55).

Stefano is also committed to promoting the competitive and comparative advantages of Sunraysia. He advocates the benefits of regional living to whoever will listen and whenever the opportunity is presented: using the profile he has gained through awards, the television series, publications, videos, media interviews and regular speaking commitments, he ensures that the focus remains on regional

Australia. The Victorian Government recently appointed him Murray River Ambassador, yet another community and regional role he performs with pride and gusto.



Stefano's Restaurant

An illustration of Stefano's commitment to his region is a program he is devising in partnership with Murray River Tourism and other regional organisations. It involves the mobilisation of high-profile national chefs in their home towns to promote local products, restaurants and regions. The initiative has the potential to produce multiplier effects: not only will local chefs have their skills and knowledge enhanced by experienced and accredited chefs; the local regions will also receive a big profile boost, local producers will have an incentive to partner more closely with local restaurants, and a creative tourism initiative will be established.

Another of Stefano's initiatives that will bring benefits is a writer's festival designed to promote the region's food, geography and people by attracting well-known national and international authors to Mildura.

Challenging the community

Related to Stefano's contribution as a regional ambassador and promoter is his contribution in challenging the Mildura and Sunraysia community to extend itself and exploit its untapped potential. He believes that local people must be at the forefront of future developments but that in general they are emotionally detached from the vision and process:

Local people and community leaders need to organise themselves to develop an economic model that is based on excellence and one that diversifies products and agricultural practices ... The destiny of rural people is in their own hands, but unfortunately they don't see it or accept this fact and continually look outside for leadership and assistance.

In particular, Stefano continually challenges farmers to change their mindset and embrace change. He puts forward a strong and consistent message that farmers should be adding value to their existing business, capitalising on alternative opportunities, and not simply 'delivering their products for processing and transporting elsewhere'.

The success factors

The culinary and business success of Stefano de Pieri can be attributed to five main factors.

The success factors

- Belief in the Sunraysia region and its products
- Childhood learning and memories
- Investment in attracting and training skilled staff
- Courage to experiment
- Passion

Belief in the Sunraysia region and its products

Stefano's love for his adopted home and region is infectious:

The Mildura region is beautiful, but when I moved here in 1991 I couldn't understand why, when we were surrounded by fantastic fresh food—citrus fruits, grapes and olives—we didn't take advantage of it. Instead most was sent directly to the processing plants or city markets. (cited in Guy 2003, p. 15)

For Stefano, 'It's almost impossible to go wrong with fresh produce, good wine and good olive oil' (cited in Guy 2003, p. 55), and the Sunraysia region provides all three.

Stefano describes the Sunraysia region as similar to a new frontier, with its geography, history and location near the corner of three states as quite distinctive. The region is unique in Victoria because of its excellent temperature, its diverse agricultural industries, and what Stefano calls 'its big-picture approach to

development'. Stefano is very much at home, enjoying the feeling of living in 'a little Sicily'.

Childhood learning and memories

Stefano's philosophy on food and eating is rooted in his Italian upbringing. Growing up on an Italian farm taught him an appreciation of basic healthy food, a love of cooking, and the importance of using fresh seasonal produce. Memories of his mother's creativity influence his work. He says, 'To me, dining is all about celebrating what you have on the table—just like we did on the farm in Italy' (cited in Guy 2003, p. 15).

Stefano often reflects on the influence and experiences of his parents, who believed strongly in using fresh and diverse ingredients, growing almost everything they needed for their own consumption. Specific life patterns were clearly defined—each month for a particular job and for a particular food to be grown, collected and eaten. Those experiences and memories have moulded Stefano's food disposition and provided the basis for his opinions about what people should eat and drink and how and when.

Investment in attracting and training skilled staff

Stefano aims to provide the best possible environment for his staff, including quality training. He acknowledges that his role in staff employment and skill development is a full-time responsibility, and he devotes much of his time and resources to gaining the best responses from staff. He is adamant that attitude and commitment, rather than talent, are the most important ingredients in terms of staff recruitment: 'We don't want talent. Forget talent. Talent comes with a price tag. What we want is people who can be reliable and obedient to the brief. We don't want geniuses' (cited in Gilling 2003, p. 15).

Stefano laments the lack of skilled labour in the region and the apparent lack of collective effort to overcome the problem:

It is very difficult to attract and retain skilled hospitality workers in Mildura. Understandably, they can access similar jobs for better money in the cities. So I am trying to work with the government to fast-track visa applications so that I can employ suitably qualified chefs from Italy to assist in meeting my needs.

He is also committed to providing what he describes as 'the necessary human infrastructure' as another incentive to attract and retain skilled staff.

Courage to experiment

Stefano believes that one needs the confidence and courage to experiment and take risks. These attributes are at the core of his approach to both business and life.

Passion

Stefano de Pieri is a passionate person, and this quality is a central ingredient of his drive and success: 'If you are passionate enough about something, it can indeed become a reality. And if it doesn't—well, you can have a great time trying,' he says.



Stefano de Pieri

Advice to others contemplating rural business creation

Stefano de Pieri offers the following advice: 'Be sure your product is understood and accepted by country folks, because they are going to support you when the rest are not. Be sure you have an original idea'.

Further information

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Tasmanian Trash Transformers



The story of Tasmanian Trash Transformers, in the north-western Tasmanian town of Deloraine, is an amazing tale of the conversion of an unproductive council tip into a thriving business. It is the story of two young people, Sonia Chirgwin and Billy Willis, who, with an idea, determination and the support of a small rural community, have demonstrated the profitable connection between business and waste.

In 1992 there were only a few dedicated resource-recovery businesses operating in the main metropolitan centres around Australia—and even fewer in rural areas. Yet the situation changed rapidly as the pioneers of this new industry acted on a commitment to achieve sustainable environmental outcomes through redefining ‘waste’ and mobilising local communities. This is the story of one such pioneering venture.

Besides the local employment creation, the business has captured the imagination of rural communities, resulting in replication of the approach both nationally and internationally. It has created a benchmark for community waste management.

The story so far ...

Sonia Chirgwin and Billy Willis used to live a romantic life, travelling Australia and earning a living from wool classing and shearing. Their dream was to one day own land in a picturesque rural setting, live in a vibrant community, and work in the environmental services industry. By the early 1990s the price of wool had collapsed as a result of a global market shift from natural fibres to synthetics, and Australia’s largest importer, the Soviet Union, was beginning to disintegrate. Work in the industry became scarce as the Australian flock almost halved in size.

Sonia and Billy decided to leave Australia to travel the international shearing circuit, beginning in Ireland in late 1992. Before leaving for foreign shores, however, they married and spent their short honeymoon in northern Tasmania, at a place called Golden Valley, near the township of Deloraine.

Finding Tasmania ‘one of the most beautiful landscapes we have experienced’, they decided to purchase a ‘bush block’ and temporarily shelve their world tour while they considered various opportunities for self-employment in the emergent environmental industry. Their love affair with Tasmania was about to start—an affair that would change their lives and that of the Tasmanian waste industry for ever.

Douglas (1995) provides a vivid description of the Deloraine tip’s state in 1992:

The Deloraine landfill site was in a state of crisis. The site was often on fire and overrun with rodents and feral cats. Like many other landfill sites in Tasmania, it had unrestricted opening hours, no tipping fees, little regular maintenance and very few facilities for recycling. It was also extremely muddy in winter, making access difficult and resulting in the active tip face becoming large and effectively out of control. Not surprisingly, patrons were disgusted by the tip and even feared for their safety due to the toxic fumes and explosions from burning refuse.

Frustrated by the ongoing management problems, the Department of Environment and Land Management threatened to revoke the Deloraine Council’s licence if improvements were not implemented immediately. The Council hurriedly advertised for an attendant to staff the site as a first step in improving management. Despite their lack of practical experience, Sonia Chirgwin and Billy Willis decided to take up the challenge.

The couple were not daunted by their lack of experience in the waste industry, nor by local scepticism about creating a business out of waste. They had a strong commitment to the environment and, having decided to live in the district, viewed this as an opportunity to return something to the community. In Billy’s words,

I am not sure what the Council thought when we arrived for a meeting to discuss our application for the advertised attendant’s position. I had long hair and a wild look in my eye, which probably scared the Council when we first met. But I am sure they

knew that Sonia and I had a well thought out proposal and were determined to turn around the fortunes of the rubbish tip.

After some discussion and refinement of the original proposal, Deloraine Council made a ground-breaking decision. It offered Billy and Sonia a 10-week trial period in which to achieve their ambitious objectives of making the Deloraine tip safe, environmentally friendly and economically viable. The great Deloraine Tip Challenge had begun and within a short period Sonia and Billy and their company, Tasmanian Trash Transformers, or TTT, had turned a refuse eyesore into something resembling a garden centre and second-hand store.

Sonia and Billy had researched worldwide waste management models, including doing a week's work experience at Revolve, a workers' cooperative in Canberra, and put what they learned into action. Sonia recalls,

We began operating on August 24 1992 for a trial 10-week period. We brought in fees and opening hours and a policy of free entry to potential recyclers. All organic material is stockpiled, detailed statistics are recorded daily, and customers are issued with survey forms to gain direct feedback from the community.

At the end of their trial period Sonia and Billy had transformed the site, mitigated many of the negative environmental impacts, and introduced a comprehensive resource-recovery and recycling system. They provided Deloraine Council with a detailed business plan. The Council, mindful of the overwhelming support of the local community and the couple's success in achieving their ambitious short-term objectives, promptly awarded the company a 10-year contract and 'quietly breathed a sigh of relief that the whole mess was finally going to be cleaned up' (Douglas 1995, p. 15).

From August 1993 until now TTT has continued to develop an efficient operating system for landfill management and recycling at the landfill sites of Meander Valley Council (formally Deloraine and Westbury Councils). Their system is based on a strategy designed to provide 'best-value' landfill management services for the community. The strategy has four components:

- a strong focus on rebuilding the landfill as an important community asset that is adequately resourced in terms of staffing and infrastructure

- facilitating community education and community development through the practical application of sustainable environmental management
- application of 'best practice' in landfill and business management
- a commitment to the principles of the 'triple bottom line', which means environmental, social and economic returns for the business and the community in which it operates.

Ten years down the track, the tip is a vibrant, proactive business offering the following services:

- a resource-recovery facility for items such as heavy and light scrap steel, non-ferrous metals, timber, rubble and concrete
- waste disposal areas
- a Tip Shop and salvage yard for the processing and sale of recycled and second-hand materials, including pre-loved clothes, building supplies, furniture and revitalised plants
- a landscape supplies business selling a range of barks, soil, sand, mulch and gravel
- a hard-waste collection service for seconds, salvage and green waste
- landfill maintenance services
- landfill rehabilitation services
- landfill development and construction services.



Tip operators

Working at the tip has given Sonia and Billy a number of insights into community habits. 'Every area has its own particular type of rubbish,' says Sonia. At the Deloraine tip, plants attract particular interest, demonstrating just how much the people love their

gardening. With this in mind, TTT expanded its business to include the sale of landscape supplies. Locating this business at the tip was crucial to its success: people generally took their rubbish to the tip in trailers, and once the trailer was empty it was convenient for them to pick up mulch, sand and gravel while they had the means to carry them.

Sonia acknowledges that the local community and its organisations, including Meander Valley Council, the Meander Valley Enterprise Centre and the Deloraine Environment Centre, have made a big contribution to their success. The Enterprise Centre, as a local business-support service, was able to provide free and confidential professional advice and assistance. Billy participated in a New Enterprise Incentive Scheme program through the Centre and later expressed his gratitude for this help by joining the board of the Centre.

Today, more than 50 per cent of tip users recycle, achieving a 50 per cent saving in landfill space and doubling the tip's life expectancy. TTT also now manages the Westbury tip.

But Sonia and Billy have not limited their good work to the communities of Deloraine and Westbury. They have consulted with other rural communities around Australia and recently returned from a six-month trip to southern India as consultants to a community waste management and business development project. Billy says of the Indian experience, 'It was pretty well hands on. Everything from being on bullock carts collecting the garbage to meetings with the Minister for Environment in Tamil Nadu. The program is now being implemented and they have employed a waste disposal coordinator' (McNeil 2002, p. 12).

Sonia and Billy want to continue working as facilitators in the environmental sector in less developed countries. To gain further skills, Billy is completing his Masters in International Development and Sonia is completing her Masters in Environmental Management.



The Tip Shop

The impact

The editor of the *Launceston Examiner* aptly summarised the achievement of TTT:

The ground-breaking business venture, which has transformed the Deloraine tip into a clean recycling environment, is a challenge to all Tasmanians. Billy Willis and Sonia Chirgwin have deservedly been recognised through numerous awards for their determined entrepreneurial initiative in turning a refuse eyesore into an attractive, profitable location. This achievement should be encouragement to all that there is a possible balance—at least in the short term—between consumer demand for a disposable lifestyle and protection of the environment ... That the Deloraine husband and wife team will make money out of their Tasmanian Trash Transformers venture is proof that recycling can do more than protect the environment. It makes good economic sense too ... What is significant here is that we have two people—without resources, without financial backing—using their initiative—and showing the rest of us the way to go. (15 November 1993, p. 8)

In fact, TTT was the first Tasmanian refuse site controlled by private enterprise. Its impact is evident at a range of levels, but particularly in terms of local employment, local tip practices, the triple bottom line approach, the local economy and community, and the waste management industry.

Local employment

A viable business involving eight full- and part-time jobs has been created in a small community of 2500 people. Douglas put it this way:

In an area where unemployment runs at around fourteen per cent and the few employment opportunities available are often in the forestry industry, Tasmanian Trash Transformers is proof that 'greener' avenues of employment can be created successfully and that there is value in developing sustainable employment through business enterprise. (1995, p. 18)

In the last 10 years TTT has paid out over \$1.2 million in wages. For Billy, 'It is so satisfying to see so many jobs and money being created out of the recovery of materials that were once just buried and burnt in the landfill. To see something created out of nothing is truly inspiring'.

TTT is also committed to gender equity and employs women on an equal footing with men. Women operate heavy machinery such as track loaders and excavators, drive trucks and operate front-end loaders and forklifts. 'I have found women to be careful and competent machine operators. They don't tend to push the machines to breaking point like some of the men we have had working here,' says Billy. Sharon Lunson, who started as a young employee in 1993, is now general manager.

Women are also very good at customer relations and service and help create a hospitable environment for all who visit the site. 'Landfills are often male-gendered spaces, and I remember when we first began 95 per cent of all customers were men. Now it is more like 50–50,' says Sonia.

Local tip practices

As noted, the landfill site has been dramatically improved and the tip's life expectancy has doubled. This has been achieved through a range of creative recycling approaches and through community education and awareness raising. In the words of the chairman of the Meander Valley Enterprise Centre, Ian Huett, 'Sonia and Billy made the community much more environmentally sensitive. They made ratepayers look at their rubbish in more profitable ways. At the tip, they have created a tourist attraction. You cannot believe that a tip can be so organised and attractive'.

The triple bottom line approach

TTT has demonstrated to the community, and the nation, that the triple bottom line approach—economic, social and environmental—can work. Within four months of starting, the business was winning Landcare and Tidy Town competitions. In

fact, since 1992 it has won the following awards and grants:

- a Tidy Towns Award of Merit
- a Tasmanian Employment Initiative grant
- a Tasmanian Young Achiever Regional Development Award
- a Launceston Rotary Award
- a Tasmanian Tidy Towns Award for Waste Minimisation
- a Landcare Business Award for Tasmania
- a Telstra and Tasmanian Government Small Business Award
- finalists in the National Small Business Awards
- the National Australia Bank Community Links Award for Arts category, awarded to Arts Deloraine for the 'Tales of the Tip' project
- a Tidy Town Best Management Award
- a drumMUSTER Collection Agency Excellence Award.

The local economy and community

TTT has had a significant impact on the economy and thinking of the local community. In 10 years it has purchased in excess of \$2.5 million in goods and services from the local community. In addition to this multiplier effect, stimulating additional employment and economic activity, the business provides markets for a number of small but active micro-enterprises, such as those that repair and resell electrical and household items, furniture restorers, cabinet makers, builders, mechanics, collectors of antiques, and people who collect items for resale at flea markets.

Indirectly, the actions and success of TTT have helped legitimise non-traditional rural businesses. Deloraine is home to a diverse range of non-traditional businesses, among them a wholefoods business, a continental delicatessen, an environment centre, a shopfront for animal rescue, an eco-tourism initiative, and galleries.

The Deloraine and Westbury communities are also proud of the way the landfills have been transformed and the attention TTT and the community have received at the state and national levels. Many of the original sceptics now bring visitors and friends to the site to show off 'their tip'.

The waste management industry

TTT has had a major impact on the management of landfills and recycling centres in Tasmania. This is evident in the number of people who come to the

site wanting to learn more about how to establish a modern waste and recycling facility. Among these visitors are municipal waste managers, consultants, members of parliament, owners of waste management businesses, and individuals looking to establish similar enterprises elsewhere in Australia.

TTT's operations have been cited in numerous reports and other publications—often being referred to as the TTT Model. Sonia and Billy have been engaged as consultants on a number of projects to advise on the design, operation and management of resource-recovery centres throughout Australia. 'It feels great to have made a difference in the industry. On a weekly basis we have people contacting us for advice or simply wanting to talk about their particular rural recycling project,' says Billy.

The success factors

Sonia Chirgwin and Billy Willis have demonstrated excellent business acumen to achieve their commercial, community and environmental goals. They, and the Deloraine community, are clear about the success factors that have supported their initiative.

The success factors

- Commitment, perseverance and vision
- Financial support and sound business planning
- Support from the community and elected members
- Building the right team
- Community education
- Quality customer service and interaction
- Attracting the interest of the media

Commitment, perseverance and vision

Sonia and Billy are obviously driven by their commitment to the environment and the benefits of recycling. They share a deep concern about the world's waste generation. As Billy says,

I guess we were pioneers. We believed in what we were doing and had heaps of vision. We were passionate about the idea. Looking back, it was a daunting journey, but local people were so supportive and could see the changes as beneficial. We only imagined the project as being successful. We're still very committed, and the ten-year milestone feels very exciting. (Douglas 1995, p. 15)

For her part, Sonia says, 'Working in rural areas made us aware of land degradation and we wanted to do something to help the environment'.



The entrance to the tip

Creating something out of nothing often involves conjuring up a vision of an alternative future. Commitment and perseverance are the qualities that allow the vision to be realised. Sonia and Billy wanted to solve the problems the tip site had generated for the Deloraine community. As with many businesses during the establishment phase, they worked long hours seven days a week, built relationships, and remained positive in the face of early negativity. Managing a rubbish tip was a rude awakening to the realities of small business. Billy recalls,

On our first day we took \$7 and a grand total of \$27 for the week. On more than one occasion we thought we would have to close as we were simply not generating an income to

cover costs, let alone earn a wage and implement the overall plan. We got stung on a few occasions with those who took advantage of our inexperience and gullibility when buying our first pieces of plant and machinery. However, we learned from the failures and kept focused on our goals rather than getting caught up in the drama of making mistakes.

TTT is a product of sheer hard work. As Deloraine community development officer Glenn Christie says,

The determination, hard work and motivation of Billy and Sonia was unbelievable. They committed all from the start. There was a lot of local scepticism. However, they never doubted it would be a success. Sonia and Billy dared to be different. They were willing to play with other people's rubbish, and created a profitable business. They turned a liability into an asset and in the process modified community thinking and attitudes.

For Sonia,

The driving force behind this whole project has been our total commitment to recycling issues and the ability to focus on the job at hand. We believe that it is important to imagine the project as being totally successful. Of course, it would have been basically impossible if the local community hadn't been so supportive of the whole thing.

'People have been saying "good on you" and that has really made us feel as though it's going to work,' Sonia added in an interview with the local newspaper (*Western Tiers*, 2 November 1995, p. 2).

Financial support and sound business planning

It was never going to be easy to find a source of funding for two people who had no business experience or capital to contribute and were receiving unemployment benefits. Sonia and Billy faced numerous refusals from banks and finance companies, even though they had a comprehensive business plan and the promise of a 10-year contract. So they approached Alistair Clark from Australian Ethical Investments, a company that invests in organisations and businesses that operate in the environment sector. Alistair facilitated their first unsecured loan of \$25 000 for the purchase of plant, machinery and buildings: 'Without the belief and financial support from Australian Ethical, who also shared our convictions for environmental management and sustainability, we would have taken years to get off the ground, if at all. It is as simple as that,' says Billy.

In *Soft Technology* Douglas claimed,

Tasmanian Trash Transformers would not have got off the ground without access to appropriate finance. The first stage of the business development was the most expensive. While the Meander Valley Council agreed to partly fund the construction of storage sheds, sealed roads and security yards, there were also bulldozers, front-end loaders, forklifts, a mobile chipper, a glass crusher and associated equipment to buy. (1995, p. 15)

He was impressed with the drive and motivation of Sonia and Billy, as well as their well-thought-out business plan. The financial support from Ethical Investments was vitally important, especially in the initial stages of the project, when an investment of about \$150 000 was required to fully launch the business.

Sonia acknowledges the help of the Meander Valley Enterprise Centre and the Deloraine Environment Centre in putting forward a full proposal. When the couple heard about the Enterprise Centre, they decided to talk to the manager, Glenn Bilsborrow, to see if he could help them develop a business plan. Billy, Sonia and Glenn sat down, went through the whole idea, and subsequently put together a submission to the Council. The planning process was very useful for fleshing out the details of how they would operate the business, manage cash flow, and develop new income streams.

Billy and Sonia both stress the importance of sound business planning and detailed financial projections. It was ultimately the strength of their business plan that persuaded Australian Ethical Investments to part with their investors' money.

Support from the community and elected members

Deloraine, Australian Community of the Year in 1999, is a can-do community. It has a long tradition of innovative community initiatives, and its residents rally to support projects that improve community wellbeing, environmental integrity and economic vibrancy.

Unlike many small towns, Deloraine has always been willing to embrace change, new ideas and innovative projects. Twenty years ago, the Rotary Club of Deloraine launched the Deloraine Arts Fair and Exhibition as a way of integrating new 'alternative lifestyles' into the community and bringing people with different perspectives together around a common love of art. Today that annual event is the largest working craft fair and exhibition in the Southern

Hemisphere and directly generates \$100 000 a year for community projects.

There is no doubt that one of TTT's key success factors has been the way it has garnered community support for the tip-transformation process: as Billy says,

The community support for the business is based on goodwill generated by our commitment to excellent customer service and our business charter. Without the support of the community and key people in it, this project would have remained just another dream. Engaging the community is absolutely vital for this type of enterprise.

Also critical was the support of Kym Booth, an elected member of the Deloraine and (later) Meander Valley Councils. Kym took a courageous stand and worked tirelessly against the often cynical views of TTT's detractors. 'Without Kym's support, TTT wouldn't have got past first base. He was nothing short of amazing in his pursuit of what he considered was in the community's interest,' Billy recalls.

From the early days the Deloraine community embraced Sonia and Billy's dream. For Sonia, 'The amazing part was that the whole community got behind us. More than 50 per cent of tip users now recycle. Around 200 people bring their rubbish to the tip each day, and as many as 30 browse through the shop'.

A vivid illustration of how the Deloraine community embraced the initiative was the organisation of a Tales of the Tip seventh birthday party at the tip site in August 1999, when 250 people dressed in evening wear and work boots gathered to enjoy theatre, poetry, music and feasting. Facilitated by Arts Deloraine, it was an 'event to be remembered'. As part of the event, a 5-metre-high sculpture, made from recycled agricultural equipment by local artist Paul Noordanus, was unveiled at the entry to the tip, to celebrate the recycling achievements of the community. According to Sonia, 'The town was grinning for about three months. It was a wonderful



Tales of the Tip sculpture

celebration for all those who loved TTT'.

Building the right team

Sonia and Billy say that building a rurally based enterprise is a team event. No business can flourish without direct and indirect assistance from a range of supporters and providers. 'If I had to name just one factor out of the many for the success of any business, it must be the ability to identify, secure and harness people's skills and experience for the benefit of the enterprise and its goals,' says Billy.

TTT's general manager, head mechanic, landfill supervisor and several site staff joined the team as early as 1993 and have spent the past decade building and nurturing the business.

According to general manager Sharon Lunson, the success of

the Deloraine landfill and recycling site has a lot to do with the people who work there and use the facilities. Sharon has committed her future to the recycling centre and has done several TAFE courses to extend her skills: 'This is the best job I could ever imagine'.

As a local, Sharon is pleased to have had the opportunity to improve the site and contribute to a better environment for the Deloraine and Westbury communities. Both Sonia and Billy agree that 'Sharon and the dedicated team that work with her are our biggest asset. They are committed, energetic and work with great integrity. They are nothing short of inspirational'.

TTT has also benefited from some great professional advisors, including a highly skilled accountant, an experienced commercial lawyer, and various engineering and business planning consultants. All these people have come from the area and have long-term relationships with the business, keeping TTT running like a well-oiled machine. TTT has also received assistance in the form of a Tasmanian government grant to buy a portable woodchipper for processing green waste; a grant from the Launceston Environment Centre to buy a paper baler; recycling containers, signage, marketing materials and

sponsorship from the Beverage Industry Environment Council; and ongoing support from the Department of Primary Industries, Water and Environment, to name just a few.

Last—but by no means least—is the robust working relationship that Billy and Sonia forged in the shearing sheds. Billy says,

Sonia and I are an amazing team and complement each other's skills. Sonia is a great communicator and fantastic at managing people. I am a bit of a planning freak and love to innovate and design systems and geographical spaces. Both of us have developed quite good business skills and our problem-solving skills are well developed through many late nights of discussion around the warmth of a fire!

They both agree that the success of TTT is strongly related to their commitment to each other and to their dream of a better future for all.

Community education

Integral to the success of the business has been raising community awareness of the benefits of recycling. TTT has sought to change people's perception of rubbish: 'How to get around the problem of people just turning up at the tip, dumping and running—that's the main concern,' according to Sonia (cited in Stevenson 1993, p. 3). Staff regularly conduct tours around the tip site, promoting waste reduction and recycling.

Waste education is an important part of TTT's contribution to community development. On average, once a month a school class visits the site. The students see how glass is fed through a crushing machine, how plastics and cans are condensed into large packs for transport, and how the scrap metals are sorted, graded and bagged. They also go to see the landfill itself and then examine what has been salvaged. Afterwards, they are asked to contribute their ideas on how to prevent landfill from piling up so rapidly.

Quality customer service and interaction

Great importance is attached to customer service. TTT believes that all visitors must be treated to an original and unique experience. Staff are encouraged to interact with customers, to share the experience through tours, to identify recycled items for purchase, to promote the ever-expanding landscape supplies and, most importantly, to promote the advantages of recycling. As its operations manual states, "TTT

strives for quality and integrity in all activities and transactions'.

Attracting the interest of the media

Use of television, radio and the print media has underwritten the success of the business. TTT has captured the attention of local and national media, which have portrayed the business in a highly positive light. The local paper, the *Western Tiers*, is a great supporter of TTT's work, doing regular interviews and providing updates on what is happening at the landfill sites. However, it was the state and national media that celebrated TTT's work and the awards it was winning and gave the business real exposure.

Advice to others contemplating rural business creation

Billy Willis is convinced that the TTT experience can easily be translated to other communities and municipalities. For him, fundamental to the success of their business has been 'a strong self-belief, determination, passion for the environment and change and a supportive council and community. It's a lot of work and there are times when you have some doubts, but the result speaks for itself. It's been one hell of a journey'.

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Virginia and Districts Community Bank



Virginia is a small town just north of Adelaide in South Australia. It is home to many horticulture-based businesses, especially market gardens. Until the 1990s four banks operated in the town but then each closed, leaving no banking facilities in the community. A one-hour round trip to the nearest bank meant a burden on people's time and finances, so the community decided to take control of its own financial destiny, setting up a community-owned bank. This is a story of the strength of a community working together to achieve a common goal.

Established by residents in 1999, the Virginia and Districts Community Bank is now one of the most successful community banks in Australia, with over 3300 accounts and annual business worth more than \$48 million. It is an excellent example of a small community working to help itself when a vital service is withdrawn.

The story so far ...

Throughout the 1990s the major banks were closing their rural branches. This decision not only contributed to immediate job and service losses but also accelerated a general trend of centralising services in regional centres. Many communities suffered as people and services left their area. Local unemployment rates went up and local economies slumped.

Virginia is a short distance north of Adelaide and has a population of about 2500. There were four banks in the town until the early 1990s, when three of them closed. The community decided to take action when it was told that the remaining bank would close on 4 December 1998. The people were determined to retain banking services and their local economic vitality.

Frank Tassone, owner of the local supermarket, had recently upgraded a shopping centre and, on hearing rumours of the closure of the fourth bank, he wrote to that bank for clarification. The bank's reply indicated closure within the month, with only an automatic teller machine remaining. Frank felt this was unacceptable for the community, especially the business community. He wrote to other banks and credit unions, but none would guarantee to give Virginia back its banking facilities.

Absence of a bank would be commercially and personally damaging for the Virginia district, adversely affecting:

- the recently established \$5 million Bolivar water system, which was expected to quadruple agricultural production in the region
- the local horticulture centre and the many market gardeners and other businesses in the area
- pensioners, the frail aged, and people without access to transport
- local retail businesses, which would lose the ability to deposit cash.

Studies have shown that when people have to leave their local town to bank in another they also take other business and shopping with them, at an annual cost of almost \$4000 per person (Hunt 2002, p. 3). For people living in Virginia, the closest bank was 15 kilometres away, which for many would mean a one-hour round trip. The time and expense involved meant less time and money would be spent doing business and shopping in Virginia.

Frank Tassone was determined not to see the demise of a business he had built up over 40 years. He drew on all the local resources he had available to him to arrange and coordinate a public meeting about the remaining bank's closure. He advertised the meeting in the local newspapers and in the shopping centre and asked his staff at the supermarket to place notices of the meeting in people's shopping bags. He invited the local mayor, Marilyn Baker, and local councillor Dino Musolino to join him in facilitating the meeting.

At the meeting Frank outlined the dilemma facing the community and the purpose of coming together. People at the meeting were asked about their current banking arrangements, and it was discovered most of them were going to be affected by the bank's closure. Frank spoke about the possibility of trying to lure another major bank to the region and about the option of the Community Bank. The overwhelming majority of people present applauded the idea of the Community Bank, especially because it was something the community could assume ownership of. As Frank said, 'This is a chance for the community to do something for ourselves, rather than have things taken away from us by others' (*The Bunyip*, 4 August 1999, p. 21).

Within two months of this initial meeting, a representative of Bendigo Bank attended another community meeting to explain the function and process of operating a Community Bank. Over 250 people attended this meeting, after which many participants made pledges of support to help with starting the business.

The Community Bank is an initiative of Bendigo Bank, which has operated in Bendigo, Victoria, since 1858, when residents of the area '... created a locally owned building society as a vehicle for improving their community' (Hunt, cited in Bendigo Bank 2000, p. 2). The development of the Community Bank is a natural extension of Bendigo Bank's long-term philosophy.

The concept of a Community Bank was still relatively new at the time Virginia was considering the option. Only a few Community Banks had been launched in New South Wales and Victoria and none had opened in South Australia. For Virginia, this represented a risky initiative, but the community approached the challenge with planning and caution and made sure they had accurate facts and figures before making any decision.

The Bendigo Bank philosophy is that, for a Community Bank to be successful, the community must want to support the bank. To ensure this is the case, Bendigo Bank employs specialist organisations to help local communities carry out a feasibility study of banking needs in their region. A banking survey form was distributed to local businesses and people living in and around Virginia. Interviews were also conducted with a selection of local business and community members, and the available economic information on the area was reviewed. The results of Virginia's feasibility study proved that the bank had

good prospects for being profitable. To pay for the feasibility study, Bendigo Bank suggests arranging for some of the pledges to become cash. Instead of this option, which may have slowed the process, one of the local businesses in Virginia underwrote the cost of the feasibility study, with payment to be returned upon collection of the pledges.



Opening plaque

The feasibility study formed the basis for a business plan. Information was gathered to determine the anticipated break-even time for the bank, when the profit generated through the branch would equal branch expenses. The study also set benchmarks for the bank's first years of trading.

The Virginia community needed to raise \$250 000 from community members and businesses to cover the cost of setting up the bank.* These costs include the cost of the feasibility study, legal costs, the franchise fee, start-up costs (including training of staff), the branch fit-out and equipment, and working capital. After the second public meeting, pledges of community support were undertaken. Within eight weeks of the meeting, the community had pledged \$250 000. During this time a steering committee, consisting of eight influential community members and local business people, was formed to direct the process. All the members were volunteers.

Recognising the importance of community ownership, the community decided the bank should become a public company limited by shares, rather than a private company limited by guarantee. The steering committee became the bank's first board of directors.

* Bendigo Bank now requires that communities raise between \$400 000 and \$500 000.

On the basis of the feasibility study, Bendigo Bank produced a prospectus, which was distributed to community members and local businesses. Within 14 days of release of the prospectus, almost \$370 000 was raised—a great indication of community support and the people's determination to succeed.

The project was not without its challenges, though. One of the hardest times was in the bank's first year of operation, when projected figures were not reached. The bank was only at two-thirds of its target income. There were several reasons for this:

- fierce competition from the major banks, which were trying to retain customers—even though they did not have a presence in the local community—by offering low interest rates on loans
- a perceived fear by some members of the community that their personal financial circumstances would not remain confidential—an important consideration in a small community. This was overcome by advising people of the strict privacy laws that govern the banking industry
- privacy concerns and the board of directors not even knowing the names of banking customers.



The bank building

Six months into the second year of operation, the bank's business level was still short of the projections. Overall growth had dropped, as had the rate of inquiries about new accounts. This was partly because many community members stayed with their original bank rather than transferring to the Community Bank. (Some people had a false impression that changing banks would involve extra fees, so they stayed with other banks.) The bank manager, staff and board of directors all remained positive during this time, however, even though they were not yet meeting their anticipated targets they never ran over budget.

The bank's concerns were soon, and unexpectedly, allayed when in January 2001 many people opened new accounts. The bank was opening 80 to 100 new accounts each month, a much higher amount than the target rate of 60. This increase was largely attributed to the return of a key local worker in the bank who was a familiar face in the community. The business plan suggested that break-even point would take three years, but Virginia achieved it in two years.

In early 2003 the bank was operating around 3000 accounts and running at a budget of \$41 million, well on the way to a financial target of \$42 million—a target that will be easily surpassed given the rate of support from the community. The bank's directors expected that shareholders would receive a dividend at the end of 2003–04. There is also the possibility of further funds being injected into the community, in addition to the funds distributed to local sporting and community groups.

The impact

The Bendigo Bank has rated the Virginia branch as one of its top 10 operating community branches—quite an achievement for a small rural community in such a short period.

The Virginia and Districts Community Bank has achieved remarkable financial success and stability. The locals also speak of many other benefits:

- local employment—an increase from four to six staff, including a trainee from the local area
- profits remaining in the area and being shared with Bendigo Bank
- profits distributed to shareholders first and then to local projects
- community pride and empowerment through owning and operating a self-sustaining business and keeping money in the community
- a lift in business confidence
- full banking facilities available, including free, no-obligation financial planning
- the capacity to provide funding or financial support for local community projects and groups
- time and money saved by not having to travel elsewhere for banking services
- more accessible opening hours—9.00 am to 5.00 pm Monday to Friday, plus Saturday mornings
- quality customer service

- community confidence and greater combined community effort when other new projects arise
- new business creation.

In addition to these positives, Virginia won the Community of the Year award on Australia Day 2000. Marilyn Baker said, 'The award recognised a community of "doers" who worked together to ensure the district kept progressing' (cited in Wakelin 2000, p. 5). Besides the creation of a community bank, this award was in recognition of the outstanding South Australian Expo held in the area and the contribution of the multicultural Virginia community.

The staff and board are also excited about the prospect of helping to open more Community Banks in South Australia because they have seen first-hand the benefits for the local community. Paul McGrath and Frank Tassone have spoken to a number of South Australian communities considering the option and are keen to help them. They understand the process and the requirements for setting up a bank and know that this thorough process, together with community involvement, is the key to operating a successful Community Bank. There are 120 Community Bank branches operating in Australia, and new branches open regularly. Over 1000 communities are currently engaged in serious dialogue about the community banking option.

The success factors

Management and staff of the Virginia and Districts Community Bank quote seven factors that have been fundamental to their success.

The success factors

- Responding to community need
- Exceptional customer service
- Employment of local people
- Motivation
- A commitment to business growth
- Support from Bendigo Bank
- Marketing strategies

Responding to community need

The Virginia community needed a banking service. Both the community survey organised by Frank Tassone and the feasibility study proved this. The Community Bank initiative was able to return

banking services to the township under control of the community as shareholders.



Chairman and staff of community bank

Exceptional customer service

The bank's staff and management pride themselves on their exceptional customer service and see it as a key to building and retaining a strong customer base. The locals have responded magnificently to good old-fashioned banking and customer service. As bank manager Paul McGrath says, 'People can walk straight in from their farms or market gardens with mud on their boots and get served': previously, many people who worked on the land felt they had to shower and dress up for a trip to the bank, especially when they had to travel a distance to get there. Paul also says the Community Bank concept is 'like taking banking back 10 years', referring to one-on-one contact and old-fashioned customer service.

Employment of local people

The Virginia and Districts Community Bank is owned and operated by members of the community. As a result, a number of local people are employed. In this way, the bank returns a social dividend to the community in the form of employment opportunities and staff have a greater understanding of customers' needs because they know the community.

Motivation

The directors and staff of the Virginia and Districts Community Bank are motivated by five important principles:

- a the desire to offer the best product at the best price
- provision of a return to shareholders

- service to and development of the local community
- improved information services to the community—especially encouraging financial planning schemes so that people do not find themselves short of money in retirement
- an obligation to meet their customers' financial needs and help them be proactive about achieving their long-term goals.

Staff and management are committed, motivated and passionate about the work they do. The community notices this and wants to support such a business.

A commitment to business growth

The bank's staff and board are committed to growth of the business. Despite a current banking budget of \$41 million, there is recognition that if all community members and businesses supported the bank that budget would be 10 times greater. The board and management have also assisted other communities considering opening their own bank. They plan to continue helping yet other communities reap the rewards they have gained from owning and operating their own bank.

Support from Bendigo Bank

Bendigo Bank provides support in areas such as debt management, computer programs and applications, staffing and directorship. It also has the final say over whether or not a loan is approved, removing the liability and risk from the Community Bank. Bendigo Bank convenes two-day conferences three times a year for managers. This is an excellent opportunity for branches Australia-wide to exchange ideas and share best-practice principles. It is also an opportunity for branches that have been operating longer to offer support to the newer branches.

Marketing strategies

Initially, marketing the new bank was easy. The press was very interested in this new enterprise, which was a first for South Australia. Frank Tassone says hardly a week went by without someone from a radio station, television station or newspaper contacting him for information. Since then media interest has waned, and current marketing strategies include the following:

- media releases to inform the public of milestones—for example, when the bank broke even and for its first-year celebrations
- sponsorship of community events, activities and associations—for example, sponsoring the local

football and soccer teams, the bowling club, and a local school team in the Solar Car Challenge

- word of mouth—board members often speak to people in the community about the services the bank provides
- providing access to information about the service through the internet.

Advice to others contemplating rural business creation

Frank Tassone offers this advice:

Don't hesitate. It can be a challenge which can have a high demand on you physically, but if you believe strongly enough in the concept you should pursue it. The decisions are not always instant, you need to motivate people for change, but the tough times will only make you stronger ... [People and communities should] not be deterred by stumbling blocks, they should seek assistance, especially from others that have done it before. These principles are not just limited to banking; they can be used across a number of businesses.

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Woolmers Estate



Woolmers Estate, near Longford in Tasmania, is acknowledged as one of the most outstanding examples of a 19th century rural settlement in Australia. Owned by one family since about 1817, the property was bequeathed to a non-profit public trust in 1994 and now functions as a tourism complex involving accommodation, a restaurant, a gift shop, tours and special events.

The story of this Australian Tourism Award winner is one of a venture successfully balancing commercial and heritage conservation considerations.

The story so far ...

Woolmers Estate is an 81-hectare heritage tourism property owned and operated by the Woolmers Foundation Inc. It is 5 kilometres from Longford, in northern Tasmania.

As an agricultural farm site, Woolmers was continuously occupied by six generations of the Thomas Archer family from about 1817 until 1994. When Thomas Archer VI died in May 1994, having never married and with no heir, the property was bequeathed to the Archer Historical Foundation, a public trust. Incorporated in 1991, the Foundation aimed to 'collate, preserve, and maintain for public purposes deeds, documents, letters, paper writings, records, memorabilia, chattels and property (both real estate and personal) of the Archer families in Tasmania and elsewhere and their antecedents and descendants' (Archer Historical Foundation 1996, p. 17).

The Foundation sought to restore Woolmers to its former glory and to enable visitors to experience a 'unique glimpse of the Archer family's lifestyles and passions since the settlement of the estate in 1817'. Woolmers was opened to the public in December 1995. Between 1995 and 1997, conservation, management and site plans were prepared. Public membership of the Foundation was encouraged, and the board was restructured to create a balance in favour of members independent of the family. In December 1997 Woolmers was classified a public museum, conferring tax-deductible status. In 2001 the name of the Foundation was changed to the Woolmers Foundation Inc. to recognise the support given by non-family members and to signal the board of management's intention to make Tasmanians aware that the legacy was for all to enjoy.

Since Woolmers opened to the public in December 1995 more than 100 000 people have visited it. In 2002–03, 18 000 people visited, many of them choosing to see inside the main house.

The current goals of the Woolmers Foundation are as follows:

- maintain and improve Woolmers Estate following high standards of conservation. All works to be carried out in accordance with the recognised Cultural Conservation methodology
- control collections, operational structure and security so as to not put the Estate and its assets at threat
- create a landmark attraction which is widely known in Australia for its quality conservation, interpretation and education programs, while providing a high level of entertainment for guests
- attract a diversity of guests, including residents of Tasmania and visitors from interstate and overseas



The dining room

- implement innovative and creative interpretation programs. (Woolmers Foundation Inc. 2002, p. 2)

Woolmers is a time capsule of Australian colonial history, one of the best-maintained examples of a 19th century rural settlement in Australia. According to Clive Lucas, who developed the initial conservation plan in 1996,

The estate is a record of the generations of one family and the changes wrought by the successive generations, with the first generation amassing substantial wealth and the future generations choosing to live off the success of the first. Woolmers is the oldest Tasmanian estate to have remained in continuous family ownership. That it has been largely unaltered by the successive generations, apart from subdivisions, provides a rare insight into five generations of one family. Within Australia there is only one other property to have been in one family ownership from before 1820, Rouse Hill, New South Wales ...

The array of extant buildings on Woolmers including family house, workers' cottages, former chapel, blacksmith shop, stables, bakehouse, pump house, gardener's cottage etc, provides an insight into the social structure of a colonial pastoral estate. At an estate of this size, a virtual small village was formed where over 70 might be living and working at one time. (Clive Lucas, Stapleton and Partners Pty Ltd 1996, p. 64)

In addition to its architectural heritage, the Estate contains a wide range of collections acquired by the Archer family over 180 years. The architecture, furniture, photos, sporting equipment, artwork and farming equipment are a true representation of the settlement and development of Tasmania by one family on one site.

Today, the site is open to visitors daily and provides the following tourism opportunities:

- conducted tours of the main house
- self-guided tours of the outbuildings, gardens and natural heritage grassland area
- a venue for special events
- accommodation in seven colonial cottages
- meals at the Servant Kitchen Restaurant
- a range of Tasmanian and heritage products for sale.

Woolmers is also home to the National Rose Garden of Australia Inc., which was established by volunteers in 1999 as a non-profit organisation with the aim of building a nationally important rose

garden in Tasmania. Woolmers leases 4 hectares of land to the National Rose Garden, which although it is independent of the Estate, forms part of the Woolmers experience. The Garden's official opening was in December 2001 and there are now 3500 roses planted, representing almost 450 varieties. It has been designed to form a 'journey through history' and, as such, is unique among important rose gardens of the world.

As a heritage tourism business, Woolmers Estate has had to face a range of site management challenges, including access to the main homestead, the placement of visitor facilities (toilets, eating areas, car and bus parking areas, and so on) and refurbishment to ensure a balance between contemporary use and protecting the heritage values of the site. Future challenges include maintaining the balance between contemporary use and conservation, adding tourism value to the property (particularly in terms of special events such as weddings, picnics and festivals) and extending the time people are 'captured' by the property.



The 1840s Gardener's Cottage accommodation unit

The Woolmers Foundation has two goals for the future:

to further develop Woolmers Estate as a major visitor icon in Northern Tasmania and to go beyond a self-supporting operation to a business, which funds wider activities on the part of the Foundation; and to continue to market Woolmers as a landmark historic tourist attraction that is widely known and recognised throughout Australia and overseas for its quality conservation, interpretation and education programs while providing a high level of entertainment for guests and being accepted as a 'must see' for visitors to Tasmania' (Woolmers Foundation Inc. 2002, p. 7).

Given its achievements in the past seven years, the organisation seems certain to achieve these goals.

The impact

Woolmers Estate has had a significant impact both at a national heritage level and in terms of the local community and economy.

National heritage significance

Woolmers manager Victoria Bayes says, ‘When people think of heritage and conservation, I want them to think of Woolmers!’. Already that is becoming a reality at both the state and national levels. In 1998, after only three years of operation, Woolmers Estate won the Australian Tourism Award for Heritage and Culture. It has since received three other state tourism awards, and the Australian Heritage Commission has twice featured it as a case study in publications dealing with successful heritage tourism businesses.

The local community and economy

Woolmers Estate and the National Rose Garden benefit the local community in many ways:

- The majority of staff and volunteers live in the local area.
- Much of the restoration and construction has been done by local tradespeople. In addition, the National Rose Garden was a project of Work for the Dole groups, providing work for unemployed people in the area.
- The majority of supplies are bought from local businesses—the supermarket, butcher shop, newsagent, hardware, florist, gift shop and bakery.
- Woolmers restaurant is regularly used for community functions and fundraisers.
- Each year Woolmers holds an art exhibition for local artists—the Woolmers Art Exhibition.
- Prizes are regularly donated for community events.
- Local students have the opportunity to participate in the Vocational Education and Training program at Woolmers.
- Locally made gifts and produce are sold in the gift shop.

Woolmers has become a very important source of part-time and casual employment: 36 such positions currently exist in addition to the two full-time positions.



The Coachman's Cottage accommodation unit

The success factors

Five factors help explain the business and conservation success of Woolmers.

The success factors

- Quality of attraction
- A balance between commercial and conservation outcomes
- Strategic partnerships
- Government funding
- Local community and volunteer support

Quality of attraction

Woolmers Estate offers a unique tourism experience because it provides an opportunity for visitors to stay on site and it has an unrivalled combination of features:

- extensive heritage collections resulting from over 180 years of continuous ownership
- a reputation as one of the finest genteel colonial houses in Tasmania
- the oldest Tasmanian estate to have remained in continuous family ownership
- a variety of architectural styles, from simple vernacular collages to a gothic horse-drawn water-pump house
- significant outbuildings—for example, the woolshed, which is reputedly the oldest continually used woolshed in Australia
- romantic colonial accommodation that can cater for groups

- links to the history of the Archer family through surrounding properties—Brickendon, Panshanger and Northbury, settled by Thomas Archer's three brothers, whose descendants are passionate about heritage tourism
- a natural heritage grassland area
- personalised tours by knowledgeable tour guides who are very proud of Woolmers
- the ability to cater for special events in magnificent grounds and gardens
- a restaurant and a gift shop.

The Tasmanian Government's *Heritage Review 2000* identified Woolmers as 'arguably the most significant domestic property in Tasmania' (Tasmanian Government 2001, p. 16).

Peter Thyne, deputy chairman of Woolmers Foundation Inc., says, 'Those currently involved in cataloguing the contents of the property estimate they have 20 years of work ahead of them—an indication of the treasure trove nature of Woolmers'. Kim Polley, mayor of Northern Midlands Council, endorses the heritage authenticity of the Woolmers experience:

The success of Woolmers Estate can be attributed to the desire of today's tourist to participate in a unique, authentic, non-contrived heritage environment. Visiting Woolmers Estate is a true experience; it is definitely not 'just another old house'. Upon stepping inside the homestead, the participant usually gains the impression that the Archers have just stepped out for a minute, perhaps to tend the stock or journey into the nearby village for supplies.

Debra Lewis, manager of Cultural Heritage Tourism for Tourism Tasmania, believes that Woolmers Estate is 'one of our greatest assets in terms of infrastructure and provides a free settler component to complement Tasmania's strong convict heritage side. Its location on the Heritage Highway strengthens dramatically the appeal of that route'. The Estate also offers all the elements that Tourism Tasmania's Tasmanian Experience Strategy defines as unforgettable experiences: 'those memorable events or interactions that engage people in a personal way and connect them with the place—Tasmania, people and their ideas'. The Strategy emphasises a secret of the Woolmers experience:

Connection with place, quality infrastructure and personalised service are vital to the success of any holiday, but it is interpretation and engagement that make the difference between a pleasant break and an

unforgettable experience (Tourism Tasmania 2002, p. 3).



Typical interior of an accommodation unit

By aligning with the Strategy, Woolmers creates significant leverage opportunities through Tourism Tasmania and its vast resources. The Strategy also supports Woolmers' aims: 'Tourism Tasmania will work with major partners to develop necessary frameworks to ensure that cultural heritage is developed in a way that supports communities, contributes to conservation and becomes a major employer across the state'.

The National Rose Garden is another source of fascination for visitors to Woolmers Estate. A showpiece of Tasmanian horticultural excellence, it has one of the finest collections of historic roses in the Southern Hemisphere, ranging from the earliest European and Chinese roses to the roses of the 21st century. George Adams, founder of Tattersalls, was an important sponsor of this initiative.

A balance between commercial and conservation outcomes

Once the Woolmers Foundation was created, two vital initiatives provided a sound basis for the organisation:

- the appointment of a board of directors with the necessary balance of skills to provide business and conservation guidance for the Estate
- the preparation of a conservation plan, a business and marketing plan, and a site management plan.

The Australian Heritage Commission and the Department of Industry, Science and Resources acknowledge the success of Woolmers in relation to the following three actions:

- prioritising all projects in accordance with heritage and business objectives

- accepting the need for 'quick wins' alongside long-term strategic planning decisions
- balancing commercial and conservation decisions for mutual benefit. (2001, p. 16)

Achieving this balance calls for constant focus. In the words of the Australian Heritage Commission and the Tourism Council Australia,

Even with the benefit of a strategic business and management plan and a professional conservation plan, tensions constantly arise between the needs of running a commercial heritage visitor attraction and the struggle to preserve the promote the Archer family heritage and legacy. (1999, p. 17)

Woolmers Estate has not been content to rely on the initial plans compiled between 1995 and 1997. All plans (management, conservation and site) have been reviewed and updated. The board of management has recently signed off on a three-year marketing plan and has developed a five-year conservation and preservation plan.

Strategic partnerships

The development of Woolmers Estate has been made possible by a number of strategic partnerships. The establishment of the National Rose Garden in 2001 is a good example: its creation was made possible through the lease of 4 hectares from Woolmers Estate to the National Rose Garden Committee. The resultant synergies for the two projects have been extremely beneficial.

Northern Midlands Council, Drysdale Training School, Tourism Tasmania, the Australian Heritage Commission and the Tasmanian Heritage Council are also important partners. Gerald Monsen, CEO of Northern Midlands Council, says that when the municipality was formed and enlarged through amalgamation in 1993 tourism and heritage were seen as vital assets, with the ability to unite the various geographic communities:

Council have been strongly committed to enhancing the economic and unifying benefits of tourism, and from early days Woolmers was seen as a main plank of that strategy and has been the focus of many partnership initiatives. The positioning of the National Rose Garden at Woolmers is an example of that partnership approach.

Woolmers Estate's involvement in and commitment to the Tasmanian tourism industry is reflected by its active membership of related organisations, including the following:

- the Bed and Breakfast and Boutique Accommodation of Tasmania
- the Tasmanian Convention Bureau
- Independent Tourism Operators of Tasmania
- Gateway Tasmania
- the Heritage Highway Association
- Tourism Tasmania's Heritage Tourism Interpretation Group
- the Longford Visitor Information Group
- the Northern Midlands Business Association
- the Longford Events Group
- the Veteran Car Club.

Government funding

Many of the conservation goals of Woolmers Estate were achieved with a \$700 000 grant from the Commonwealth's Federation Cultural and Heritage Program. The three-year project allowed for significant restoration and stabilisation work on numerous buildings and collections, as well as contributing to water reticulation, toilet facilities, fire detection and fighting systems, environment monitoring equipment, and landscaping and tree planting. A large proportion of the funding went towards full restoration of four free settlers' cottages to four-star accommodation standard; the cottages now contribute about 20 per cent of Woolmers' income.

Local community and volunteer support

So many local and farming families are vitally interested in Woolmers Estate, its role in history and its contribution to Tasmanian tourism. The guided tour program is made possible through 27 local volunteer guides; another 15 volunteers contribute in other ways to the Estate's operation. In addition, many local farmers provide volunteer services to ensure that the 81-hectare property is well maintained. The National Rose Garden is another initiative of volunteers, many of whom live in the local area. Woolmers manager Victoria Bayes says, 'It's the passion of people involved that makes this operation function. People are genuinely excited about its potential and want to make it happen'.

Bruce Archer, chairman of the Woolmers Foundation Inc. says,

[Woolmers] would have struggled to survive financially if we were just an ordinary business operation. What sets Woolmers apart from many other tourism businesses is the passion, pride and love that our staff, volunteers and community

supporters have for the property. They want Woolmers to be maintained and enhanced, and are prepared to go that extra mile in terms of work contribution and support. People love being part of Woolmers and believe in its uniqueness as a place.

Lorraine Green, manager of economic and community development for Northern Midlands Council, believes that the success of Woolmers Estate is due to passion and the 'can-do' nature of the volunteers and supporters:

The extraordinary ability to attract talented local community members to undertake the many specialist tasks required—for example, garden design and maintenance, submission writing, vision creation, and operation ... I chaired the Woolmers Centenary of Federation Great Day Out Committee and was in awe of the vision and 'can do' of the board and supporters. No matter what the idea, they somehow managed to establish a link to obtain the materials and people—whatever was needed to make it a reality ... Woolmers has the ability to attract and retain high-quality 100 per cent customer-oriented staff who further value-add to what is already a magnificent unique colonial heritage experience.

Again, Woolmers Estate appears to have reflected what Tourism Tasmania believes is essential for today's tourist: 'An enriched visitor experience is created by combining Tasmania's three appeals (nature, cultural heritage, food and wine) with community enthusiasm and involvement, highly developed interpretative skills, local knowledge and a passion for place' (Tourism Tasmania 2002, p. 8).

Advice to others contemplating rural business creation

Reflecting on their business journey, Victoria Bayes said,

What's worked for Woolmers? Detailed planning, a willingness to embrace change and think outside the square, looking after our visitors, adding value, and displaying courage in decision making—knowing how and when to say 'yes' and 'no' effectively.



The main house at Woolmers

Further information

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Yeoval Community Hospital Co-operative



The public hospital in Yeoval, in central-western New South Wales, was closed in October 1988, an event that had the potential to greatly weaken the life of the community. Alarmed by this, the 450-member community decided to take control of its future and form a cooperative venture, creating the first multi-purpose health centre in the state. Four hundred and fifty shareholders now own the cooperative, which has effectively doubled the range of services that were on offer in 1988. This is a story of a community's determination and the power of cooperation.

The story so far ...

CEO Colin Francis explains the rationale for the Yeoval Community Hospital Co-operative Ltd:

It is something the community fought very hard for. At a time when many small towns are shrinking and services are being taken away from them, we took control, bought the hospital and effectively said, 'That is not going to happen here'. Many people have been in this area all their lives, and we wanted them to be able to grow old here and have the care and services they need. So, the hospital really represents the strength and commitment of the Yeoval community. It is a statement in itself, as well as an icon.

Yeoval Public Hospital was closed by the New South Wales Government in October 1988; the facility was downgraded to a first-aid post and the town found itself without a doctor. People felt that closure of the hospital would threaten the very existence of the town. It meant they had to go to Dubbo, 70 kilometres away, if they needed any kind of health care. The community's reaction to this situation was immediate: a public meeting was held, the community endorsed the decision to embrace a community cooperative structure as a means of retaining their local hospital service, and almost \$100 000 was raised through 250 shareholders. Out of this, the community also created the first multi-purpose health centre in New South Wales.

Cooperatives have played, and continue to play, an important part in rural Australia's economic and social history, as a means of creating new credit, retail and marketing initiatives, and even business services such as local hotels. 'However, for the first time in the nation's history, a local community needed to utilise the co-operative philosophy and framework to retain

their hospital. Yeoval reinforced its reputation as a community that works together to achieve common goals' (Yeoval Community Hospital Co-operative Ltd 2002a, p. 8).

The Co-operative began operation in July 1989, with a seven-bed hospital and a seven-bed nursing home. By the end of its first year it already had some impressive achievements:

- Operational costs were reduced by 25 per cent compared with the former state-run hospital.
- A wider range of services was being provided, and those services were better suited to the Yeoval community.
- The community's first resident doctor had been engaged, on a \$22 000 retainer.
- There were seven nursing home beds where there had previously been none.
- The bed occupation rates had increased from 2.5 to 3.5.
- Finance had been raised for the community's first 10-bed hospital.

By February 1992 the Co-operative had opened a new nine-bed hostel costing \$450 000, and an additional \$450 000 had been spent on modernising the hospital facility. In November 1999 the Co-operative opened a new special care unit for dementia residents and renovated the administration area, the doctor's surgery, the physiotherapy room and the staff room.

Today, services at the hospital far exceed those provided at the time of the old hospital's closure in 1988. In summary, the Yeoval Community Hospital Co-operative has achieved the following:

- a seven-bed acute hospital
- an 11-bed nursing home
- accident and assessment facilities
- a nine-bed hostel
- an eight-bed special care unit for dementia patients
- a day centre
- X-ray facilities
- a doctor's surgery on site
- a physiotherapy service
- six community care packages
- volunteer ambulance services
- a palliative care suite
- a daily pathology service.

In 2003, \$500 000 was spent on the creation of extra wards, an extended lounge area, new rooms for the doctor and community health workers, and a new laundry.

Developing such facilities in a small community has not been without its challenges, including the need to deal with state and Commonwealth government rivalries to achieve integrated funding support.



The ambulance

The impact

The Yeoval Community Hospital Co-operative has had an enormous impact on the economic and social fortunes of the small town of Yeoval and on other communities.

A reversal of decline

Yeoval has successfully reversed the gradual loss of services that characterises over 70 per cent of small inland communities in Australia. Having adequate health services is at the heart of the perceived vibrancy

of any rural community and, according to the Yeoval Hospital's annual report,

Retaining a hospital with a local GP has created a fantastic sense of security, especially for the elderly, the sick and young families. It has also increased the likelihood that teachers will want to come to Yeoval, knowing their families can be cared for in emergencies, thus keeping the local school open. Retirees are beginning to move here because of the improved services. All these factors stem the tide of people leaving our town. (Yeoval Community Hospital Co-operative Ltd 2000b, p. 2)



Employment creation

The Yeoval Community Hospital Co-operative has generated employment—not only in terms of net numbers but also in terms of quality and variety. Before the community takeover in 1989, the hospital employed only two registered nurses, one handyperson and a recreation officer. Since then, the service has continually expanded and is now the largest employer in the town, with 57 employment positions and an annual wages bill of \$1.3 million. Many of the staff are mothers employed on a permanent-part-time basis, so the financial benefits reach a great number of local families. Without the hospital, most of these women would not be able to work because the nearest employment centre is an hour away. The staff are now moving towards a salary-packaging schedule that will further increase the number of people employed.

Local economic flow-on effects

There have been obvious flow-on effects for other business activity in the town. The hospital has a policy of 'buy local'; for example, one business provides over \$1000 worth of food supplies to the hospital weekly. The main street of Yeoval is undergoing business renewal and the hospital is a major factor. A new pharmacy has opened and this is directly related to the community hospital initiative.

The impact on other communities

The Yeoval Community Hospital Co-operative has also had an impact on other rural communities. Jon Robinson, manager of special projects in the New

South Wales Department of Fair Trading summarised the contribution Yeoval makes to the thinking of other communities:

The Yeoval Community Hospital Co-operative has provided the Department of Fair Trading with an outstanding community-based service model. Its success has been the foundation for many conferences and seminars conducted by the Department promoting the benefits of the co-operative structure. Yeoval Hospital has also been the focus of interest for many small rural and regional communities seeking to emulate its success. In 1997, the co-operative organised a seminar focusing on Multi Purpose Health Centres and Co-operatives that was attended by 120 people. Recently the Department featured Yeoval Community Hospital Co-operative in a promotional video that was developed to promote the co-operative model to groups ... and to encourage other communities like Yeoval to consider pursuing their development aspirations through a co-operative approach.

The success factors

The Yeoval Community Hospital Co-operative is a remarkable story of community enterprise. Its success factors are clear.

The success factors

- Community ownership
- Staff commitment
- Management commitment and skill

Community ownership

Judges for the Prime Minister's Award for Excellence in Staff Development in Residential Care—in which the Yeoval Community Hospital Co-operative was selected from 3800 aged care facilities as one of the nation's top 10 health care providers—made the following comment:

Yeoval is a success story based on the focus and commitment of a community in a regional/rural co-operative to salvage, retain and develop their health care services. There is a demonstrated entrepreneurial spirit and the staff, residents and families have a clear sense of ownership.

Nearly every member of the community is a shareholder in the Co-operative, and many of them contribute substantial in-kind support as well as

financial support. For example, one community member, an artist, donates paintings regularly for fundraising auctions; 30 local landowners agist and manage the hospital's herd of cattle, resulting in an average annual contribution of \$10 000 to the hospital's finances; and volunteer community labour is responsible for all gardening and window cleaning.

Forming the Co-operative has further united the community, which itself has generated \$1.5 million in hospital funding in the past decade.



Staff commitment and morale

Staff at the hospital clearly appreciate the renewed facility. Some travel from other towns to work there, rather than at facilities closer to home, and several younger women who might have moved out of Yeoval to further their careers have stayed and are working at the hospital. Staff turnover is very low, and simple strategies such as providing variety in work have contributed to sustaining workers' enthusiasm. Margaret Johnston, director of nursing, explains, 'Our nurses might, for instance, do a day in the dementia unit followed by a couple of days in the nursing home, and then maybe even a day in the kitchen. This also means that if someone is sick we have lots of options for how we cover shortages'.

Staff are encouraged to join the Co-operative, increasing their sense of ownership.

Management commitment and skill

The commitment and level of expertise in the board and management levels of the Co-operative are quite remarkable for such a small community. Their will to keep improving the quality and level of service is outstanding.

Advice to others contemplating rural business creation

CEO Colin Francis says that rural communities should not sit back and wait or expect governments to fund particular projects to provide economic security:

It is a matter of generating community support and getting off your backsides to achieve your goals. Any rural community can achieve what Yeoval has if it is prepared to get up and have a go. If you wait, very little will happen except a great deal of frustration.

Further information

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Conclusion: The parable of the black belt

A young martial artist kneeling before the Master Sensei in a ceremony to receive a hard-earned black belt. After years of relentless training, the student has finally reached a pinnacle of achievement in the discipline.

“Before granting the belt, you must pass one more test,” says the Sensei.

“I am ready,” responds the student, expecting perhaps one final round of sparring.

“You must answer the essential question: What is the true meaning of the black belt?”

“The end of my journey,” says the student. “A well-deserved reward for all my hard work.”

The Sensei waits for more. Clearly, he is not satisfied. Finally, the Sensei speaks. “You are not yet ready for the black belt. Return in one year.”

A year later, the student kneels again in front of the Sensei.

“What is the true meaning of the black belt?” asks the Sensei.

“A symbol of distinction and the highest achievement in our art,” says the student.

The Sensei says nothing for many minutes, waiting. Clearly, he is not satisfied. Finally, he speaks. “You are still not ready for the black belt. Return in one year.”

A year later, the student kneels once again in front of the Sensei. And again the Sensei asks: “What is the true meaning of the black belt?”

“The black belt represents the beginning -- the start of a never-ending journey of discipline, work, and the pursuit of an ever-higher standard,” says the student.

“Yes. You are now ready to receive the black belt and *begin* your work.”

(Collins and Porras, 2000 : 198)

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Pot pourri of great ideas from successful businesses

Below is a collection of miscellaneous ideas and actions from successful businesses that might stimulate changed business attitudes and actions.

A. Customer Service

- Turning a customer complaint into goodwill and a business builder according to the Beechworth Bakery.

Neither you nor the product can please all the time. Sooner or later you're going to get a complaint, perhaps justified, perhaps not. In either case you can easily turn the complaint into good will and a business builder:

1. Let the customer get it off his/her chest – don't interrupt by word or expression.
2. Don't argue. To the customer, their merchandise isn't satisfactory and that settles it.
3. Sincerely thank the complainant for their information.
4. Tell them why you value their complaint.
5. Apologies for the mistake and give them a refund, a replacement product or another product, give them much more than they expect.
6. Promise the fix the problem immediately.
7. Correct the mistake straight away.
8. Report the problem to a Supervisor. They may need to tell the Bakers.
9. If you cannot satisfy the customer, ask the Supervisor to speak to them.
10. If we don't take care of our customers someone else will!!

(From Beechworth Bakery Manual)

- Develop and display a business vision/mission and customer commitment statements – 'post it, live it and make it visible'
- Practice positively outrageous service (POS)
- Implement a complaint and recovery policy and process.
 - Redress a customer concern immediately
 - Make it easy to complain – analyse and respond to all complaints
 - Use complaints as an opportunity to perform Positively Outrageous Service

- Anita Roddick's 20 second crash course in customer care:

Never treat customers as enemies, approach them as potential friends.

Think of customers as guests,

make them laugh.

Acknowledge their presence within 30 seconds: smile,

make eye contact,

say hello.

Talk to them within the first 3 minutes.

Offer product advice where appropriate.

SMILE.

Always thank customers and invite them back.

TREAT CUSTOMERS AS YOU'D LIKE TO BE TREATED.

- Produce community newssheet containing local community news, opinions and jokes.

- Sam Walton (Wal Mart) address to 1000 employees at a satellite link-up:

Now, I want you to raise your right hand – and remember what we say at Wal-Mart, that a promise we make is a promise we keep – and I want you to repeat after me: 'From this day forward, I solemnly promise and declare that every time a customer comes within ten feet of me, I will smile, look him in the eye, and greet him, So help me Sam'

(Collins and Porras, 2000:115)

- Beechworth dollars – vouchers that can be spent at the Beechworth Bakery stores.
- Frequent buyers club and rebate (Goondiwindi Cooperative)

Summary of POS

- *Random and unexpected*
- *Out of proportion to the circumstances*
- *Invite the customer to play or otherwise be highly involved*
- *Creates compelling word of mouth*
- *Creates lifetime buying decisions*

(Gross, 1994: 63)

The Positively Outrageous Service Rules for Apology

- *When in doubt – apologise*
- *Apologise even when the customer doesn't know you goofed*
- *Always make amends in excess of the slip up*
- *Empower everyone to solve problems*

(Gross : 1994:93)

- Wow the customer according to T. Scott. Gross:

- *Entertain the customer (especially while she is waiting)*
- *Demonstrate that the customer is first by respecting his time*
- *Say you are sorry for the slightest slip from standard*
- *Ask for the customer's opinion*
- *Promote internally*
- *Know the customer by name*
- *Invite the customer to play*
- *Remember the customer even when he is not buying*
- *Support causes the customer holds important*
- *Give something free of cost and occasion*
- *Become a product and service fanatic*

(Gross : 1994:85-86)

- Use the anniversary of the business as an opportunity to announce '*giving something back to our community for making our success possible.*'

B. Staff expectations

Jah-Roc's 12 Points of Culture

As part of the Jah-Roc team, each member will:

Commitment:

- *Be a key figure*
- *Be equal with each other*
- *Be loyal to the Company*
- *Be loyal to each other*
- *Be loyal to customers*

Ownership:

- *Take responsibility for their own area*
- *Take responsibility for them selves*
- *Take responsibility for Jah-Roc*

Integrity:

- *Keep their word*
- *Follow through with promises/ statements to team members and customers*
- *Adopt the premise, broken, fix it, forget it (Fix, forgive and forget)*

Excellence:

- *Take pride in their work*
- *Exceed their expectations in Jah-Roc's systems*
- *Exceed their own expectations – 100%*
- *Exceed customer expectations – under promise and over deliver*

Communication:

- *Communicate with honesty, politeness and respect*
- *Apologise first for any upsets, then look for a solution*
- *Discuss problems in private*
- *Listen with BIG EARS and empathy*
- *Never gossip or talk anybody down*

Success:

- *Achieve their goals in a positive manner*
- *Focus on the successful outcome*
- *Retain a successful perspective of duties*

Education:

- *See education as a key to success*
- *See education as an ongoing commitment in their daily working lives*
- *Demonstrate their willingness to learn from mistakes*
- *Be willing to teach others*
- *Educate customers on the value of quality furniture and new designs*

Teamwork:

- *Work together*
- *Work to resolve, not to compromise*
- *Together Everyone Achieves More*

Balance:

- *Focus on positive and resolved the negative*
- *Deal with priorities responsibly*
- *Do, delegate, don't delay*
- *Home and work life are in balance*

Fun:

- *Chill out*
- *Relax and deal with it*
- *Think happy*
- *Make it enjoyable for everyone*
- *Share happiness with other team members and customers*

Systems:

- *Only work when all follow them*
- *Keep systems simple*
- *Look to the system for a solution*
- *When addressing problems, look at the system, not the person*
- *Continually improve the system*

Consistency:

Follow the above and stay consistent in all manner

• Krafty's 10 (Plus 9) Kommandments

Wayne Kraft of the Overlanders Steakhouse insists that all new staff read, digest and sing that they 'understand, acknowledge and accept' a document called Krafty's 10 (Plus 9) Kommandments. The contents of these 19 Kommandments are:

1. Compulsory staff meetings	Examples:
2. Drinks/refreshments	1. Compulsory staff meetings
3. Drugs	<i>A compulsory staff meeting is held at 5.30pm every Thursday. Ensure you are present at the meeting. Your wages will be available after the meeting.</i>
4. Employment forms:	
4.1 Personal Details	
4.2 Tax	13. Stealing/theft
4.3 Superannuation	<i>Management considers stealing and theft to include:</i>
4.4 Deduction authority form	<i>– the supply of free or discounted food or drinks to ANYONE!</i>
4.5 Authority to release Criminal History Form	<i>– the pocketing of tips where are the property of all staff</i>
5. Liquor Licence	<i>– removal of crockery, cutlery and stock of any description</i>
6. Money	<i>Warning – the Boss requires little or no incentive to call the Police. Don't give him the opportunity – he's done it a number of times.</i>
7. Personal appearance	
8. References – Separation certificates	
9. Rosters	
10. Staff	19. Terms of Employment
10.1 Discounts	<i>Upon being employed, we have a cooling off period of 2 weeks to see if you like working here, and we feel you've got what it takes to be a part of the family. If you are considering leaving please advise us as early as possible. Honesty will be respected. Remember, we are a family.</i>
10.2 Drinks	
10.3 Staff meals	
10.4 Lockers	
11. Sexual harassment	
12. Sacred sites	
13. Stealing/theft	
14. Telephone calls	
15. Time sheets	
16. Tips	
17. Uniforms	
18. Wages	
19. Terms of Employment	

- Nordstrom's employee handbook – consisting of a single five-by-eight-inch card and reads –



(Collins and Porras, 2000 : 117)

- Sharing of financial figures including figures from 12 months ago. Wal –Mart uses 'Beat Yesterday' ledger books.

C. Staff development, ownership and enthusiasm

- full time employees receive a paid holiday on their birthday (The Warehouse)
- unlimited sick leave (The Warehouse)
- employee ownership scheme (Beechworth Bakery, The Warehouse)
- annual conference – the whole full time workforce participates in an all expenses paid weekend away as a thank you. (the Warehouse)
- hold regular staff meetings (Jah-Roc, Beechworth Bakery, Green Grove Organics)
- recognise and reward staff for a job well done – '*instigate random acts of generosity for good performance*'
- send an email or memo to all staff publicly recognising the good work of someone.
- '*catching people doing things right*' (Tom O'Toole).
- 'employee of the month' and 'team of the month' awards.
- create opportunities for staff to get outside their comfort zone – prepare staff to adapt to change.
- L.O.V.E. – (*Learning is of value to everyone*) Money - Body Shop Australia provide \$200 to employees to undertake any training program, but must be unrelated to their job description.

- allowing staff 10% of work time or 1-2 days a year to become involved with a community service project
- find ways to reward staff families and their support – eg Beechworth Bakery organises a calendar of staff family special events.

D. Idea generation ideas

- implement structured customer feedback techniques.
 - Suggestion boxes and slips (Beechworth Bakery)
 - Customer surveys
 - Focus groups
 - Customer advisory panel
 - Telephone interviews
 - Mystery shopper scheme participation
- use incentives and rewards to stimulate staff ideas and proposals.
- William McKnight, General Manager of 3M introduced the 15% rule – enabled technical people to spend 15% of their time on projects of their own choice and initiative. He also developed a series of famous one liners to encourage individual initiative –

- *‘Listen to any one with an original idea, no matter how absurd it might sound at first’*
- *‘Encourage: don’t nitpick. Let people run with an idea.’*
- *“Hire good people, and leave them alone.”*
- *‘If you put fences around people, you get sheep. Give people room they need.’*
- *‘Encourage experimental doodling.’*
- *‘Give it a try – and quick!’*

(Collins and Porras, 2000 : 152)

- idea generation sessions with staff eg. Donald Country Kookies pizza fest nights, with their rules –
 - ‘have fun’
 - ‘absolutely no one can criticise or reject an idea’
- expose staff to creative and innovative thinking literature.

Eg Von Oech’s *‘A Whack on the Side of the Head’* (1998); Thorpe’s *‘How to Think Like Einstein: Simple Ways to Break the Rules and Discover your Hidden Genius’* (2000); Michalko’s *Tinkertoys* (1991); and de Bono’s *‘Lateral Thinking and the use of Lateral Thinking’* (1997) and *‘Six Thinking Hats’* (1985)

E. Business values/goals

- The concept of 'Big Hairy Audacious Goals' (BHAGS).

Collins and Porras quote Henry Ford's family BHAG to stimulate his company forward –

'To build a motor car for the great multitude.... It will be so low in price that no man making a good salary will be unable to own one – and enjoy with his family the blessing of hours of pleasure in God's great open spaces....everybody will be able to afford one, and everyone will have one. The horse will have disappeared from our highways, the automobile will be taken for granted.'

(Collins and Porras, 2000 : 97)

- Hewlett Packard have four guiding principles called the 'Four Musts' –
 - the company must attain profitable growth
 - the company must make its profit through technological contribution
 - the company must recognise and respect the personal worth of employees and allow them to share in the success of the company
 - the company must operate as a responsible citizen of the general community.

(Collins and Porras, 2000 : 287)

F. Cross promotion between business

- featuring complimentary products / services from other local businesses in windows or special display areas
- introduction cards entitling customers to a special discount at other business
- using placemats, brochures, wrappers etc to highlight other local businesses
- sign on back of the toilet doors saying *'Don't just sit there – check out other places and businesses to visit before you leave our town.'*
- combination tickets enabling a rebate or gift after purchases have been made at each of the participating businesses
- joint sales, advertising campaigns, mail outs, promotional events etc

“The mechanics of running a business are really not complicated when you get down to the essentials.

You have to make some stuff and sell it for more than it cost you.

That’s about all there is to it, except for a few million details”.

(John L McCaffrey)