

A walk into the unknown

Author: By Amita Tandukar
Publication: Business Review Weekly (60,Thu 30 Jun 2005)
Edition: First
Keywords: **Foxtel (1)**

Leaving a powerful, high-paying job to start your own business takes more than just guts.

It was a calculated risk for Kiril Ruvinsky to leave his job as a Westpac financial planner for corporations and big business with a \$100,000-a-year salary, plus bonuses. Many of his fellow 600 Westpac financial planners talked about making the break but only Ruvinsky and one other person left their positions to work for themselves in 2004.

"It has always been in the back of my mind to start a business," says Ruvinsky. "When I was in high school I was already reading business magazines while my friends were out tuning their cars."

Ruvinsky, 32, tossed around the idea of working for himself with an old friend, Paul Miron, 28, who happened to also be working as a business banking manager for Westpac. "We identified that if we did the same thing, we could replicate the deals, and the average deal size was in the millions." They formed two companies in mid-2004: a financial planning service, Strategic Private Wealth, and Strategic Financing, an investment and debt financing business for high-net worth clients.

Ruvinsky and Miron faced the typical start-up challenges of setting up the company and building a customer base. But their experience of a corporate culture and well-tested management practices helped them find new business opportunities.

Strategic Financing broke into the market by offering a vendor financing product to property developers - a loan with a 2.99% interest rate for the first year. Although it is no longer being used as a promotion offer, the product was the key to attracting market attention. "It was about being quick and nimble and being able to change with the market," Ruvinsky says.

One aspect of the big bank that Ruvinsky wanted to replicate in his business was employing effective systems and processes rather than working on an ad hoc basis, particularly when it comes to customer relationship management. He may not have the wall of manuals to guide him, but Ruvinsky is acutely aware of the need to have processes and to always improve the way he works. For example, he maintains that the basis of good financial planning is giving customers options, and making sure that all follow-up e-mails outline alternatives.

After reaching the chief executive position at Apple Australia in December 1997, Diana Ryall was not planning a career in small business. But she was diagnosed with breast cancer and, after nine months of treatment, resigned from Apple in late 2001 to cut down on the demanding travel schedule that came with the job. "I asked myself the question, if [the cancer] came back in two years, could I say I had done everything I possibly could to prevent it?"

Two-and-a-half-years on, Ryall has a boutique women's career planning business and clients including UBS, Commonwealth Bank and **Foxtel**. Ryall's company, Xplore, has run 30 programmes in Sydney, seven in Melbourne and in-house programmes. But it is not easy. "You come out of a large corporation, where there is the finance department, customer service, if you

have a problem with technology someone will potter over and fix it," she says "Running a small business is a challenge."

Xplore, which Ryall runs with fellow director Liz Hanson, is extending its career-planning programme - designed for women with five years' work experience - to a second round of programmes. An administration assistant has joined the office and the business employs seven part-time facilitators. In managing the fast-growing business, cashflow management was a vital skill Ryall brought from Apple. "Small business and big business can easily have fixed costs getting out of control so that is really important," she says.

After working for nearly 20 years at Apple, Ryall's varied experience in customer support, sales, marketing, operations, government relations and business development in the Asia-Pacific region stood her in good stead. "I was never involved in the legal and finance areas but just about everything else," she says. "Even though it was for different amounts of money, I still knew the basic areas."

But even Ryall needed to extend her network after working in the IT sector. She had discussions with the former director of the Federal Government's Equal Opportunity for Women in the Workplace Agency, Fiona Krautil, during the business planning process. She also joined the Australian Institute of Management and the National Equity Equal Opportunity Practitioners Association.

Ryall keeps in regular contact with former colleagues, including Apple human-resources director Marina Harper. Ryall says: "It's like having a mirror. It is important to have people you can trust so you can share exactly what you are doing. You can share the problems you have and the challenges you have but you are not in conflict with each other."

The hardest part was the little things such as adapting e-mails and sending follow-ups, Ryall says. "There are things you are good at and there are things you are not so good at. When you are in a large organisation you were able to build a team that adds all the bits, a PA that was great, an HR director, a financial controller," she says. If Ryall could start the business again, she would take on an administration assistant earlier. And reading *E-myth Revisited* by Michael E. Gerber was a revelation. The book stresses the need for forward planning and putting systems in place so that the business can grow.

Track performance

Greengrocer.com founder Doug Carlson grew up working in a family business in Canada. He says running his own business was in his blood. "It was just a matter of when, where and what." Carlson launched the greengrocer.com web site selling fresh fruit and vegetables in 1997. "We were the second e-commerce company in Australia. There was Paris Technology and we launched the same week as travel.com.au."

Woolworths bought the business in stages between 2000 and 2001 for an estimated \$25 million.

Carlson cashed in on his success with his family holding 42% of the original Greengrocer.com company. But as part of the buyout, he was offered a one-year contract as managing director of Woolworths Ezybanking, a joint venture between Woolworths and the Commonwealth Bank.

There were stark differences between the environments. "[In a start-up] a lot of the time you are betting your company on your decisions but you are only answerable to yourself," he says. "You are working with two cultures and approval from two bureaucracies so it was very slow."

Decision making was very different. "After seeing the decision-making process in a large company where you rarely make a decision on your own, I consider myself a risk-taker. I am happy to make a decision and stand by it," Carlson says. Although there was more support at Woolworths, he missed the fast-growing environment. He prefers to spend his working days executing ideas rather than dealing with the politics and power plays of bigger organisations.

Carlson is back running another start-up, an SMS mobile phone service b33hive (known as Beehive). The biggest thing Carlson learnt from Woolworths was the reliance on key performance indicators (KPIs) in a business. "With the entry of Woolworths into Greengrocer.com, we implemented KPIs. We were very rigid about monitoring them and running our business by them. It is something I have now brought to Beehive."

The exchange of ideas with colleagues is what Ruvinsky misses most about working in a big bank. But he says collaborating with a business partner has its own rewards. While Ruvinsky is fielding calls from prospective employees daily, he says it will take a lot to persuade them to leave the security of the bank. "A lot of them have been institutionalised. [Them leaving] is like an animal that has been let out in the wild."

Use your advantages

Lessons of executives who leave big corporations to head their own businesses:

- * Create effective systems and processes from day one.
- * Establish and monitor key performance indicators early.
- * Prioritise cashflow management.
- * Stay in touch with professional networks.
- * Use the flexibility of being a small business to win business away from large corporations.

SOURCE: BRW