

**Submission
No 36**

SUPPORT FOR START-UPS IN REGIONAL NEW SOUTH WALES

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Support for Start-ups in Regional NSW

Submission from John Elgin, CEO Murray Hume & Riverina BEC

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I met with members of the above Committee at Hume Bank on 6 November 2017. This included MP's; Greg Aplin, Clayton Barr, Adam Crouch ,David Harris, and their staffers. David Marshall, CEO Hume Bank had his staff deliver a presentation on their Tech Challenge to Change Lives initiative, which was extremely good and well received.

Upon considering the backgrounds of the Committee a concern that occurred to me was that three members lived within 30 minutes of another on/near the Central Coast/Hunter. These areas are well serviced with strong BECs and the trial for the NDIS. I simply make the point that any outcomes need to be for the benefit of all NSW, not just urban/semi-urban areas north of our very major NSW cities. Call me cynical.

I am writing here to 'talk my book'. What else would you expect? However, I have started several businesses in my life, am still involved in one, my wife is about to start her first (after living with the ups/downs of my experiences), and my current role involves working with them (start-ups/SMEs) across 38% of NSW - vast distances.

Buzz words to temp but...

Hubs, incubators, accelerators, food tech, farm tech, fin tech, in fact anything with 'technology', block chain, entrepreneurs, food bowl to Asia, embedding, coaching... Sadly, buzz-words rule, and whilst they capture attention, are very hip, make the author sound very sharp, they essentially mask a fairly simple problem. However, like many things in life there are multiple more opinions on how to get things done than problems. We have to wade through (which is what you are doing) the many 'solutions' and hopefully find the one that works.

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Thy key to a start-up culture, and that, surely, is what underscores the desired outcomes here, is the need to adjust Australian attitudes to business. We shun failure, we hate tall poppies, big noters... We prefer and like the battler, the quiet achiever, someone having a go, a rags to riches story...until they rise 'above their station' and start big-noting. Then we like them to eat humble pie. Successful people make us feel small.

The current system of hubs/incubators/accelerators (and other buzz words) are, by their very nature, exclusionary. They require a number of pre-steps and prior knowledge, the capacity to talk the jargon, an elevator pitch, a sexy industry/concept to be pitching. Young people, an introvert, a

person with low self-esteem/confidence, or an older person will not even think to pursue an idea, or even raise it in any more than conversation with a friend/colleague. Ideas/gaps in the market are abundant. It's the capacity to connect the idea to an outcome which is important, and difficult, causing many ideas to fade away. And just because there is an app to fix the problem, doesn't mean it is fixed.

As mentioned during our meeting, the key prize for the ultimate winner of the Hume Bank Tech Challenge was not the money (it helps), but was the year-long mentoring/coaching they will receive from "Jack/Gen". The capacity to have capable people to challenge them, a sounding board, brainstorm, a subtle adjustment in approach/attitude/design makes a huge difference. Sometimes mentors can open doors. Mostly they encourage and get their mentees to push, push, push... We need to be a nation of 'doers', rather than a nation of sitters/whingers.

One of the primary tasks of the BEC is as mentors – a sounding-board for people to vent/talk/brainstorm, ask questions, get advice, encouragement, many times confirm what they already know. Mostly to be told to 'go harder'. A recent small business aspirant was told not to buy a café business because it wouldn't make money. He had all of the romantic hopes, but the numbers didn't stack up. We helped him to make a good decision.

I would therefore make the following suggestions – communications related:

1. We need to make it less about failure than learning. There needs to be a communications strategy that encourages a new attitude to business and failure as a necessary step in the process. With the right input they needn't be large but smaller failures – see next point
2. One cannot expect a child to know everything, and you need no skill to start a business. So communication from the Government about the many programs they have available to support business is just smart strategy. See next point
3. In addition to the above, the government already has existing avenues to deliver business assistance services, such as the BEC. Much of our work is as business mentors/coaches/advisers. Start-ups would benefit greatly from a mentor matching service which can be drawn from many within the community at minimal cost. NAB, for instance see the benefits of start-ups having ongoing mentoring support.
4. Communications that promote; "Support a start-up; give them a go". This could change attitudes over time.