South Australia’s Entrepreneurial Ecosystem Case Studies

Authors: Allan O’Connor and Gerard Reed

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Background

The South Australian Department of State Development sponsored this work as a means to better understand the entrepreneur’s role and contribution towards economic development. The research was designed to gain a clearer understanding of how well South Australia and Adelaide, as a City of Entrepreneurs, functioned as an entrepreneurial ecosystem. The case studies included in this volume arise from a research project designed to capture ‘customer’ insight, as part of building a body of knowledge about entrepreneurial activity in the state of SA and understanding Adelaide’s Entrepreneurial Ecosystem (AEE).

The research set out to ascertain the nature of the AEE and in particular to listen to the voices of its customers. The participant cases that follow were all originally participants in a series of focus groups. Focus group participation was entirely voluntary and there was no obligation placed on any participant to be included or answer any questions that made them feel uncomfortable. The names of the focus group participant members are confidential and no individuals or organisations are named within the findings of the research (see the full ‘Voice of the Customer report here) without explicit participant permission. The case participants included in this volume were chosen specifically to illustrate a diversity of entrepreneurial profiles as examples of the how the AEE was activated and each case has granted their express permission to the publication of their case.

Overview of the Entrepreneurial Adelaide Project

Entrepreneurial Adelaide is a movement within the city of Adelaide, South Australia, Australia which runs under a working title of ‘Towards a City of Entrepreneurs – The Emergence of Adelaide as a Recognised Startup Community’(Daly, 2013). It owes its genesis to a catalytic question posed within a discussion between two people at one of the many entrepreneurial events and activities being run around Adelaide in December, 2012. That question asked: ‘[with] so much happening to support entrepreneurship in Adelaide, how ... do you keep track of it?’

The question inspired Paul Daly to adopt a self-directed research project to pursue an answer and an understanding of what he and others had also wondered. Subsequently, a meeting was held on the 4th of January 2013 with seven out of the ten invitees from the
entrepreneurial community in Adelaide attending the meeting. Preliminary research into the programs that supported entrepreneurial activity in Adelaide was tabled at this meeting that represented four categories of entrepreneurship support in Adelaide. The meeting participants developed this further adding programs and using coloured ‘sticky notes’ with yellow to denote ‘Education Programs’, pink for ‘Networking Programs and Events’, blue for ‘Incubators, Accelerators, and Co-Working Spaces’, and green was used to identify ‘Government Support Programs and Investors’. This mapping exercise was the first iteration of what has now become known as the map of the Adelaide Entrepreneurial Ecosystem (AEE).

The lack of a device to interpret the landscape of an entrepreneurial ecosystem, in this case within the context of the city of Adelaide and its environs in the state of South Australia, was perhaps indicative of the very nature of an ecosystem. This is due, in part, to the fact that the constituent contributors of an ecosystem (Hwang & Horowitz, 2012), being participants, elements or subsections, are not always equipped with the ability to view the ecosystem in its entirety. Hence broader consultation followed.

Further meetings were held with working groups being established on five topic areas, namely; Ecosystem Governance, Marketing and Communications, Early-stage Funding, Education, and Social Media and the Internet. Two public forums were also convened on the 25th June 2013 and the 3rd of September 2013. All those within the structure of what has become known as the AEE, have continued to contribute to the map and the latest iteration of the ‘Adelaide Entrepreneurial Ecosystem Map’ (Waterhouse, 2013, p. 57) now contains eight categories and the colour themes have been extended. The map is regularly updated according to new entrants and recent exits with Draft 7.6 February 2017, being the latest at the time of writing with 134 programs being identified (see Appendix 1).

This approach to identifying the programs of support for South Australia’s entrepreneurs in Adelaide and environs was adopted for our purposes as the bounds of Adelaide’s entrepreneurial ecosystem. Throughout the interviews we probed the origins of each of the ventures and sought to understand at what point in the development of each of the businesses intersected with the programs identified on the AEE map. In doing so, we created a Critical Events and Phases Profile for each Case Study that illustrates the development steps of the business. Each case concludes with its respective profile.
The Findings and Discussion

Figure 1 given below is an example of the analysis that resulted from the Critical Events and Phases Case mapping. This particular Case example (the case of James Stewart and Kick.it) shows a Critical Phase 1 that saw James developing new venture experience outside of Adelaide and South Australia. The Critical Event 1 that marked the AEE engagement entry point was a media advertisement for a leadership program in social entrepreneurship offered through Onkaparinga Council. Critical Phase 2 was an emersion period in the AEE program opportunities, particularly involving Flinders University (close to where James lived), that led to the critical event of establishing the Kick.it venture. The subsequent Critical Phase 3 involved leveraging of opportunities that the AEE engagement presented. The final Critical Event represented (note that this does not indicate an end to the venture that is still proceeding at the time of printing) is the offer of funding from a potential industry partner that was subsequently declined.

Figure 1 Example of Analysis

By proceeding through each case in this manner, how the AEE interacts with each specific venture becomes apparent as illustrated in Figure 2. The cases evidence the variety of AEE engagement timing, ranging from James Stewart’s case of a largely immersive experience of the AEE through to Mukesh Kumar’s case of no engagement at all. The
variety is accounted for by the diversity of backgrounds, venture types, and entrepreneurs’ style and interests. It is clear that the definition of an entrepreneurial ecosystem through the lens of support programs provides a limited representation of what actually is experienced by entrepreneurs.

To consider an entrepreneurial ecosystem in its fullest it is necessary to look beyond the specific support programs and account for the variety of interactions an entrepreneur experiences in making the decision to start a venture or continue a venture in the Adelaide region. Our cases show that there are a range of influences including family, schools, prior experience of immigrants, industry networks and employers that all have an influence on whether entrepreneurs take the step to start a business. The AEE defined support programs are quite evidently influencing the development of the ventures and assisting the entrepreneurs to learn. However, this valuable contribution relies upon entrepreneurs making the decision to start a business and in every case the conditions prior to the engagement of the AEE had a major influence on the entrepreneur’s career pathway.

To realise the full potential of the AEE it will require investment from a range of community members that contribute to the AEE structure. This booklet, for the most part, focuses on the contribution of the AEE as defined by support programs. But, by recognising the organic structure of an entrepreneurial ecosystem, it not only opens the doors for others, it almost certainly demands the attention of all others to work toward creating an attractive entrepreneurial ecosystem for private enterprise and investment to work cooperatively. We urge all to play their part to positively improve the AEE and engage in constructive dialogue to identify opportunities for South Australia to advance its entrepreneurial ecosystem model toward being readily recognised as a world-class standard.
Figure 2 The Cases and AEE Interaction mapping
The Evolution of the Adelaide Entrepreneurial Ecosystem Map: An Interview with Paul Daly

Paul Daly is the driver behind the documentation of the Adelaide Entrepreneurial Ecosystem (AEE) program mapping (See Appendix 1). Paul through his involvement has seen the development of the AEE map as an entrepreneurial endeavor and enterprise in itself. The map has transmuted through a series of iterations towards a planned, and ambitious, user-interfaced and interactive live format. Importantly, the map is not driven by money and is not overshadowed by the interest of an individual or organisation. It has been a community development project that has been upheld by Paul as a custodian.

The advent of Paul’s own entrepreneurial journey coincided with the resurgent genesis of entrepreneurial activity in Adelaide and across South Australia. As a co-recipient of a multi-million-dollar investment grant by the South Australian/Federal government, Paul and his team, in the late 1990s, were in an enviable position for any start-up. This was a sizable opportunity and the team soon realized that they needed additional training. Paul undertook the only available qualification at that time run in Adelaide by the Education Centre for Innovation and Commercialisation (ECIC) at the University of Adelaide. Later the ECIC became the Entrepreneurship Commercialisation and Innovation Centre (same ECIC acronym). At the time of Paul’s engagement, the ECIC was itself in its relative infancy as a centre for entrepreneurs. The ECIC was also forming as a program developer with an emergent course of study, Paul and his cohort was in the first year of an entrepreneurial offering, at certificate level, which Paul would complete and leverage later undertake a Master of Science and Technology Commercialization (MSTC) degree at the ECIC.

This interview with Paul Daly (PD) was conducted by Gerard Reed (GR), a PhD graduate from the ECIC, who delved into the evolution, challenges and benefits of mapping the AEE programs with Paul over coffee. What follows are extracts from this interview.
Interview

GR: Can you describe the chronology and detail in the development of the Adelaide Entrepreneurial Ecosystem map?

PD: At the end of 2012 we were running the MEGA program. MEGA was a compressed masterclass focusing on the Lean Start-Up Methodology particularly for companies in the creative sector, it started off focusing specifically on Mobile [devices and applications] and then eventually it was expanded to include digital media companies more broadly, so it had that focus of talking about business models and bringing in experts that had that background. Initially the conceptualization of it was ‘let’s create something like the old enterprise workshop from the 1980s but instead of it being a general-purpose entrepreneurship program let’s make it something specific to the sector that we’re dealing with, initially Mobile—and Mobile in those early days was a hot topic—it was a new industry.

We first ran MEGA in 2006 and it attracted a lot of interest from state government and other people so they picked it up and supported it financially and resourced it introducing Peta Pash who was actually the champion that drove MEGA and was largely responsible for its success.

While I was at MNet—a company that commenced with a multi-million-dollar investment grant by the South Australian/Federal government in the then new 3G mobile network—we were in a position to support and fund the first program [of MEGA] it aligned with what we were about in terms of promoting the Mobile opportunity to companies around Australia.

One of the things that we did with MEGA in 2012, because each year we had a pitch session, we invited Jana Matthews who at that time, having moved from Boulder Colorado in America, was running the Innovyz Start Program and there was a feeling that there was a natural fit. Innovyz Start was a more advanced program and MEGA was a feeder for it. She was pretty excited about some of the companies coming through and thought that some could be candidates for Innovyz Start. But she came up to me at the end of pitch day and said, ‘there are so many things happening here in Adelaide to support entrepreneurs, how [do you] keep track of it?’ That stuck in my mind and even after a
couple of wines celebrating the pitch day I got home and couldn’t sleep. I was scrounging websites and putting details into a document to try and understand how these things could fit together. Jana subsequently hosted a meeting at the Innovyz boardroom. From memory I think it was the 4th January 2013. This attracted a lot of interest and in fact Peta Pash came back from holidaying in Victor Harbor for that meeting and we sat around the table and talked about all those programs and tried to codify them. Effectively I’d made a stab at categorizing them, at that stage into four main categories. I was trying to keep it pretty simple so we codified each program onto a coloured sticky note and stuck them up onto a whiteboard. That was the beginning of the map.

We started with four categories and we eventually got to eight. We found we had to distinguish for example between co-working spaces and incubators or accelerator programs as separate categories. In education we recognized there were differences where you might get a qualification from a formal institution receiving a degree but in an industry led education like the MEGA program there was less focus on getting a qualification and more emphasis on helping people.

From there I built a data base which had quite a lot on it about the programs and circulated it to everyone who was listed in it and asked them for their feedback to make sure they were happy with the way they were represented and that was how it all came about.

It [the map] resonated with people in the community and it became a tool for startups looking for the right sort of support. It also became a pretty powerful way for people wanting to introduce new programs or wanting to see where they would fit in the ecosystem. It allowed them to tailor programs with what was already there rather than compete. So, I committed to maintaining and updating the map and it has continued to resonate with people and I think it is now a pretty useful tool in the ecosystem.

GR: What are your experiences of the AEE and the peculiarities of its mapping?

PD: I guess one of the peculiarities of the mapping was that it enabled us to identify gaps and there was a gaping hole where a program called InnovateSA used to be. InnovateSA was a government funded organisation that operated to assist people needing skills to help them acquire an investor so it focused on deal making. It was fairly obvious that this
type of program could not survive without support or a sponsor from either government or a corporate. The AEE map made the gap visible highlighting the absence of such support for entrepreneurs. As a consequence a number of [programs] have now been developed to fill that gap.

When the map started, there were around 70 programs now it is up to around 136 and much of that was the massive increase in co-working spaces and recognizing that this was an effective way to build a business.'

I had one person say how useful it was for a meeting with the Minister when people were asking for funding when they could point to the map and say why would we fund you as there is already a program existing. This was not what the map was planned for [however] obviously, but it was serving an important purpose.

GR: What in your view has been the role of the map for developing the entrepreneurial ecosystem?

PD: I think one of the things that has struck me about it, the mapping has really, ultimately [enabled] us to bring people together. In June 2014 we ran a Forum around it supported by the Adelaide City Council (ACC), because they recognized the importance of the ecosystem, and it was not just people turning up to talk about it [the AEE] but taking steps to address issues. It kind of galvanized the community, it was the first time we really realized that there was an ecosystem that it wasn’t just a bunch of programs floating around and the level of co-ordination that happened after that was, I think, really important.

I see the [AEE] map as really being a catalyst or a touchstone to bring people together to talk about what was missing, what was working, what wasn’t working. As a result of that forum in June 2014 issues were grouped into five categories, those categories were the basis for five working groups, the idea was that these working groups were going to address the issues in terms of doing something, they were going to go away and work out ways that could work to address the issues. They would then report back to a larger group at a forum in September 2014 and they made a number of recommendations.

One of the successes of that September [2014] forum was that we wanted people to sign up to address the issues that had been identified and act on some of the
recommendations even down to just identifying that there may be some introduction they could make that could help somebody. So we invited people to fill out a form to answer the question ‘how can I contribute to the AEE?’ ‘I can contribute by doing blah, blah, blah …’ and that went from some very modest contributions to some serious commitments.

Things like one of the issues that had been identified and was holding people back was the fear of failure and the idea that in Australia, that if you failed at something you were a failure and that was almost a brand that sat on your forehead, so how do you overcome that? Harry Schiff and a mate of his took to running an event that would make light of failure in a way and made it ok to fail, and so they invited a large [group] of people to a meeting at a hotel. They asked people to step up and talk about how they had in some way done something that had failed. It was an amazing atmosphere because people spoke self-deprecatingly about how they had failed and these were people, who had typically been successful after that, so it was a pretty powerful mechanism for saying ‘hey, it’s ok to fail it’s not the end of the path’. If you dug deeply enough every successful person has to experience failure’.

GR: Who were the particular actors who have been critical to the AEE’s development or have been most apparent in interacting with it? Has the mapping of the AEE played a part in their engagement and if so how?

PD: We’ve been very blessed that the various stakeholders who have contributed have done so in the best interest of the [AEE] community, the Adelaide City Council sponsored it without any form of agenda, they wanted to see businesses grow in the city, however they didn’t limit their thinking to stopping it working for people outside of the CBD. Individuals within the State Government had been very supportive and there weren’t strong agendas at play. The important thing about the map is that it isn’t something driven by an entity it’s always been [right from the very beginning] by the community and for the community not something that was driven by any individual [or entity] for their own interests.

I think this is an Adelaide thing that the preparedness to work [collaborate] together was really strong, not to compete with one another. In Adelaide there is a really strong spirit of collaboration so that has helped a lot.
Things like Startup Weekend created a demand for what are the next steps, you have an intensive weekend where you work up a pitch around a business idea, try and prototype if you can, a very intense experience, and if you stop there you’ve given people an expectation, got them excited about an opportunity and not given them a pathway, a big part of the mapping [of the AEE] was to say to those people coming out of those sort of programs that there is a pathway onto programs like Mega or Venture Dorm, like the eChallenge that will enable them to spend more time understanding what the business opportunity is, finding a viable business model, prototyping and planning for commercialization. So this became really important for building pathways for people to succeed in entrepreneurship and new venture creation.

One thing I have been keen to do is to map the pathways of various startups through the [AEE] ecosystem. Is it significant the order that people do the programs in? Do they jump around? I think it is important to understanding what has worked for various organizations that can shed light on what value those programs bring to businesses at various stages of development. I know that some of the research done by the University of Adelaide, ECIC, highlights the importance of different programs at different stages of their development but even getting down to the order that they’re doing them in and mapping pathways is important.

The other thing I’m keen to do is map the relationship between key players and where the funding comes from. In fact I did this some time ago, I tried to pick up in particular the role of government and councils and the role of funding into the ecosystem. One of the things that became very obvious to me that just focusing on the amount of dollars invested meant that you were overlooking the vast benefit of leverage that those dollars brought through in-kind support. Sometimes a government may look at their contribution but not appreciate the overall benefit to the AEE. If government puts in ten or twenty thousand dollars to a program it becomes an enabler and provides a framework for other contributions by mentors, presenters, judges and all that kind of stuff. It becomes a multiple of many times regarding the amount the government [or organization] has contributed [regarding dollars].

Another observation I think worth making is that during [the course of the mapping the AEE] the university sector has grown in relation to the map. The University of Adelaide has
been active in their support for entrepreneurship from the early 90s with the ThincLab incubator at Thebarton and the programs around. They introduced with the University of Texas in Austin [USA] the Master of Science and Technology Commercialization [degree], one of the first programs in Adelaide to actively support new venture creation. I’d personally been looking at doing an MBA for years and I always stopped short of doing it because I really felt it was giving me the tools to be a middle manager in a large organization. What I was really hungering for was something that help [provide] the skills and tools to set up and build a company from the ground up and understand how to approach opportunity.

I think since those days, and particularly in the last five years, the role that other universities are playing has also dramatically changed. The New Venture Institute at Flinders University for instance has gotten very, very active in the space and the University of South Australia has consciously decided to focus on business growth more so than at the very early start-up stage. The conversation I had with Marie Wilson (Pro Vice Chancellor Business and Law) before she even started at University of South Australia she highlighted they didn’t want to replicate something already in the ecosystem but rather complement it. I was really heartened by the way the universities had positioned themselves in the space, their programs do complement one another.

With the Mega program and the University of Adelaide eChallenge for example rather than people having to choose between the two, people were doing one and then moving onto the other. I had a number of people who had been through Mega and said that it was fantastic, ‘if only I knew then what I know now I would have got so much more out of it’ they would say. So the idea of going through one of these programs and thinking that’s it, I know everything I need to, is not the case. There are other experiential programs you can re-immerser yourself in. Someone who had done Mega was in a much stronger position to potentially win the eChallenge with all of the experience they’ve had … and vice versa.

GR: Thank you Paul for agreeing to be interviewed.
Case Study: James Stewart – Kick.it

James Stewart’s infectious enthusiasm is evident as he exclaims at the conclusion of our interview, “It’s really going to change the world, there are 1.1 billion smokers in the world and over 60% of them want to stop – Kick.it is definitely the most effective, scalable and affordable solution and no one is close to what we are doing!”

Drawing on references to cities in his home country of New Zealand, James speaks about Wellington and Christchurch in contrast to Adelaide and South Australia. James speculates upon the geography of each and their propensity towards the support of entrepreneurial endeavour and their suitability as entrepreneurial ecosystems.

James commenced his first venture in 2007 in New Zealand, a web-based venture called ArtKlick.com. The venture was an Internet based social network set up to sell artwork in Wellington; a place he recalls as having a very healthy entrepreneurial ecosystem. The venture however lacked agility as James had to build everything from the base upwards. He ultimately ran out of money due to a combination of using the wrong strategies and paying expensive contractors because he didn’t have technical co-founders to build the product for sweat equity. Now he is aware of the “lean start-up methodology”, an approach that drives the entrepreneur to continually test and evidence customer demand in a low cost iterative way.

In 2010 while working for another start-up for a year, being a smoker, he came up with the initial idea for Kick.it – a web based platform for smokers to use a peer group to kick the habit together. He learned a design software and mocked up what it would look like and pitched it to the CEO of Quitline. Quitline was very interested and ended up funding $50,000 for a prototype. Unfortunately due to the similar circumstances that lead to the fate of ArtKlick.com James ran out of money and burnt out.

James says his biggest learning came when financing his New Zealand venture where he had no co-founder, something, he reflects, at the time he really needed. With the hard work to close the $50,000 from Quitline done it didn’t take long for that cash to be burnt
on contractors with ‘everyone happy to take money but when it runs out and you still don’t have a working product it’s not pretty’. James re-emphasises it was ‘… too much for one man to handle’.

These experiences left James with his own profound health experiences as an entrepreneur. James is open and frank about the levels of stress that he endured during this period and ultimately depression that saw him abandon any ambition of wanting to do it again. As an entrepreneur James says, ‘failing is all good but I’d prefer to succeed’.

It was some years later, after relocating to Australia and settling in Adelaide, that James began entertaining the notion of trying again. With a casual position at the Flinders Medical Centre (FMC) and an interest in social media, James tentatively began to re-enter the entrepreneurial arena. Combining an experience of the health sector with a burgeoning entrepreneurial tech start-up culture in Adelaide, James saw an opportunity to start afresh in a supportive entrepreneurial ecosystem, which he reflects was similar to that of Wellington.

Kick.it, the start-up James launched in 2014, has created an App to make it easier for tobacco smokers to quit, arming them with an effective way to regain their health. The driving ambition behind Kick.it is to help millions be free from the leading cause of premature death and burden of disease. James speculates that he could achieve this ambition in his lifetime. Once a smoker himself, James is passionate about creating an evidence-based health technology company that delivers an effective and holistic solution for both smokers and the global health care system.

Enthusiasm to change the world by helping others to retain and improve their health not only energised James to start again, but it reflects the very nature of Kick.it as a concept and unique offering in the market.

The event that marked James’ return to entrepreneurial pursuits began with a casual browse through his local Messenger newspaper, whilst living in the southern metropolitan area of Port Noarlunga South, in South Australia. The free edition that is delivered weekly throughout Adelaide and its environs advertised an event that would change James’ direction dramatically. James lived in the south and was working at Flinders’ Hospital and while he didn’t regularly read the Messenger, it was there and he flicked through. “[I] sat down and flick, flick, spotted an ad, oh I like social entrepreneurship, it’s free, sounds pretty cool”. It was a 6 month leadership development program by Onkaparinga Council lead
by Joanna Giannes and facilitated by Dr Sharon Zivkovic, a Lecturer in Social Entrepreneurship at University of Adelaide.

James developed leadership skills in this program that gave him the confidence to start pursuing his passion for entrepreneurship again. One of the major tipping points was when Dr Zivkovic invited Daniel Flynn from the successful social enterprise Thankyou Group to come to speak at the New Venture Institute (NVI) in the city. Things lined up. James pauses and smiles and reflects on how he thought at the time, ‘… that’s the guy I want to be’.

Afterwards Matt Salier, the Director of NVI approached James and asked him what he thought. James said he was really inspired and said he had previously tried Kick.it in New Zealand but failed. Matt suggested he do NVI’s 10 week Venture Dorm program that took students through from idea to validation with a final pitch to judges.

So began James Stewart’s entrée to the Adelaide Entrepreneurial Ecosystem (AEE) as he became connected to its matrix of entrepreneurial support mechanisms which were beginning to burgeon during this time. As a New Zealand national and recent immigrant to Australia, James was not eligible for HECS (Higher Education Contribution Scheme) support from the federal government, however he could make use of the many support programs that were emerging during a dynamic period for entrepreneurially inclined individuals living in Adelaide and its environs.

From the humble beginnings of an advertisement in a local newspaper James became energised and enthusiastic about trying his hand in business again. ‘I lacked confidence’, says James frankly and openly and explains how after becoming aware of NVI he looked up its offerings and really never looked back. James engaged in a ten week program, offered by NVI, at which participants were encouraged to come up with an idea, refine it and then pitch it in front of people. There was a prize offered that James thought he had a chance to win, and from 25 entrants he came in at second place. NVI who viewed James as a graduate of one of their programs provided continued support with media exposure and travel to the United States of America as part of the prize. Given that NVI is part of Flinders University, it’s interesting to note that although James was ineligible for HECS he made use of this entrepreneurial organisation from a university that was trying to engage with entrepreneurs, provide opportunities and redefine and improve the space for innovators, and entrepreneurs, or those wanting to develop in the AEE.
The journey through the AEE utilising other support structures such as Venture Dorm and Spark Hub (Adelaide) led James to connect with opportunities interstate when he progressed to the School for Social Entrepreneurship (SSE) in Melbourne, Victoria. James was able to receive a part scholarship from SSE (40%) however had to pay the remaining $3,500 personally and as a casual had to take 3-4 unpaid days off work and pay for flights to participate in their program.

Developments accelerated after this. ‘NVI got exposure on Channel 7 news’, where Kick.it was profiled, James explains. From there he began to attract investors, meeting a representative of a marketing company; and also received media exposure on ABC TV News. ‘… at the end of the Spark program where you pitch to anyone who shows up … [there was this] production manager whose partner was a member of Hub [Adelaide] – by chance he saw our pitch and came up to me and said ‘you should meet my boss’, James’ broad smile prefaces the transitional moment for his new venture, ‘… sure I’ll meet this guy, we have a prototype’. After a demo of Kick.it and discussion of the business model the response from the Hybrid Marketing CEO Rob Porcaro was ‘… this is awesome, how do I invest?’

Soon after James met with Aaron LePoidevin, a Director (now Partner at PwC Sydney) at PwC Adelaide who also chose to invest. The total of cash and in-kind from both Hybrid and Aaron was around the $70,000 mark however as Kick.it was an early stage company and James had no network in Adelaide for a technical co-founder they assessed that they would need a further $200,000 to pay contractors to build a prototype.

Thankfully James’ co-founder knew someone in mining who liked the idea and said he was keen to invest $200,000. With that agreement both Hybrid and Aaron put their money in and Kick.it started spending it on building a prototype outsourced overseas, which led to delays and issues regarding clear lines of process and communication. James elaborates the development pathway got rockier ‘… after twenty two months we still didn’t have an app, ninety five percent of people would have given up, it almost killed me, no it didn’t [but] I almost died earlier – twice – this was just frustrating!’

Not only was the money running out but the worst case scenario of the $200,000 not coming through happened. So they had no product, had burned most of their cash and were $200,000 short on the funding they needed to build their proof of concept. Thankfully
Rob was able to convince the board of Hybrid Marketing to continue to fund the development of Kick.it, which wasn’t without challenges.

Resolving to drive the project further James and his co-founder negotiated a local developer which was better as they could have direct input, however the road has still presented its challenges which James with his energy and enthusiasm always surmounts. He reflects on lessons learned and what he’d advise others to do in his area, ‘… hiring is crucial … ‘James considers this before saying, ‘… and you should have a tech co-founder as a start-up but they are almost impossible to find in ideation stage as they are either already well paid in another role or working on their own startup.

Since our interview with James in late 2014, he has raised $200,00 in bridge financing from Hybrid O2 (the new IP commercialisation and start-up investment company of CumminsHybrid) and attracted two late stage technical cofounders early 2017. They have support from a major technology company due to an introduction from NVI and have almost closed a $250,000 contract with a major pharmaceutical company. Kick.it started beta testing in May 2017 with very positive results with the aim of launching on the Apple App Store in September 2017.

Kick.it is intending to raise a $1,000,000 round of investment in 2017 and has interest from the Adelaide BioAngels for part of that.

James was also one of four SA startups to win a top 10 spot nationally (of 200 applicants) in the Boston based Bridge to MassChallenge program funded by the State Department of Development which included a trip to Boston, winning a top 5 spot of the final 10 however decided not to try to get into the 4 month accelerator in Boston due to being focused on launching Kick.it in the Australian market in 2017.

Firm development and the Entrepreneurial Ecosystem: Critical Events and Phases Profile

Critical Phase 1
Building new venture experience
Critical Event 1
Entrepreneurial spark re-ignited from a chance spotting of an advertisement

Critical Phase 2
Increasing immersion in the AEE
Critical Event 2
Kick.it established

Critical Phase 3
Leveraging opportunities in the AEE
Critical Event 3
Funding offer declined

Developed with the support of the Department of State Development
Case Study: Craig Walter – Contact Always

Craig Walter manages Contact Always which, as a trademarked new venture, produces contact code that the company then utilises to create applications for national and global markets. The baseline alpha numeric coding has over 30 applications such as protecting identity, locating lost items or providing communication tools such as linguistic, translation or educational systems amongst many other possibilities. For example contact codes can go into books or ebooks and are a permanent address and direct way to contact the author or family. The codes may also link to information content. They protect privacy and personal details.

For Craig, steering start-up ventures has seen his involvement across the South Australian entrepreneurial ecosystem being involved in dedicated programs such as Venture Dorm, presented by the New Venture Institute (NVI) at Flinders University, as well as the support provided from organisations such as Polaris Business and Innovation Centre based in Technology Park where Contact Always is currently situated and operates from in the northern Adelaide area.

Between the assistance of Venture Dorm, a start-up acceleration program, and the foundational support provided by the Polaris Business and Innovation Centre, Craig has gauged the exigencies of entrepreneurial endeavour, ‘... fail hard and fast, learn, and come back [from it], a great product needs to be developed’. Craig elaborates further, ‘... to be an entrepreneur you need attitude [and an entrepreneurial] outlook on life...’. Craig believes these attributes can be developed and importantly also needs to be enhanced ‘... in our entrepreneurial culture’.

As Contact Always develops its market offerings Craig reflects on the importance of intellectual property (IP) protections such as patents, and the necessity to attract investment and the right investors especially when the product is a new invention. Unlike in overseas’ economies such as that of the United Kingdom, Craig sees that there is a need for product champions especially in South Australia as there is currently no formal organisation, ‘... inventors are not [necessarily] entrepreneurs’. Craig makes the point that
the substantially ANZ Bank supported program, ‘Innovyz set up several successes. They backed start-ups and invested in thirty to forty groups however there still needs to be more integration. Innovyz, demonstrated that having [that direct] connection to banking institutions’, could benefit new firms but it is an area that could be more developed across entrepreneurial ecosystems both in South Australia, nationally and internationally.

Being the recipient of a range of supports from the South Australian entrepreneurial ecosystem was of immense assistance especially in the early stages of a start-up venture. ‘Venture Dorm that NVI offered ‘… was a great experience being allocated a mentor and business guided thinking as well as the opportunity to pitch …’.

Craig in his current role builds upon more than a decade of experience as an entrepreneur and sees the value of his involvement with the entrepreneurial ecosystem and the context of its members and organisations that exist and subsist in a dynamic environment. Such environs for an entrepreneurial organisation and those entrepreneurs who intrapreneurially lead them has provided a wealth of experience, however is in turn built upon itself. Craig comments upon a wealth of experience that each member brings to the organisation as foundational to the enterprise. Such foundational developments are essential to its broad diversity as Craig, like most of the members of the entrepreneurial ecosystem, bring seemingly eclectic, however essential life skills to their ventures and endeavours. In Craig’s case these skills and experiences encompassed working as a maintenance technician at a hospital in Adelaide, to then move from doing the books, to business courses, to then form collaborations with colleagues with complementary skills and experience to offer, and invariably the creation of new enterprises and ventures.

Craig Walter has his own entrepreneurial developments that in some ways complement those of Contact Always that he is seeking to develop as well and will do so, however he is focussing on his current role. Craig reflects upon the Venture Dorm experience and the value of being provided with a ‘… mentor, business guidance and thinking … [and the opportunity to] stand up and pitch … even the competition night [with its] networking [and] see[ing] other people’s ideas across twenty to thirty groups with one or two succeeding…’. The benefits are multirole as there is the opportunity to lead a team and prototype from the starting point of an idea, which is not necessarily based upon the outcome, as there is the ancillary benefits of networking across the entrepreneurial
ecosystem, ‘... meeting mentors, gaining confidence with investors and people joining your team ...’.

Craig was able to learn a range of skills from Venture Dorm that are having direct benefits for Contact Always from an understanding of sourcing entrepreneurial financing options to the intrinsic elements of the entrepreneurial path. Craig is now able to confidently recall from recent events across his entrepreneurial endeavours that, ‘... obstacles are your friend and you learn from the struggle ... we believe and understand that you need runs on board ... find ways to sell product ... good experience teaches you a lot ... [as you’re] not ready for investment until then...’.

It is Craig’s belief that ‘... a lot of start-ups are not ready for investors but perhaps ready for financial assistance towards creating a business plan but really small scale, seeing large scale as out of Australia or overseas’. Moving from the start-up phase to survival, Craig views Contact Always move to growth should position them in an overseas’ market and they have a range of potential investors interested as they move to this next stage of the lifecycle. The contact code has a range of applications and Craig and Contact Always are looking into these options both domestically and in international markets.

In the meantime the support provided by the Polaris Business and Innovation Centre has been a continuation of the Venture Dorm experience, however with the addition of the infrastructure support in terms of physical space, and the extensive options for collaboration with those inside the centre or at one of the many networking opportunities.

Craig makes the comment that a ‘... great product needs to be developed and to be an entrepreneur an entrepreneurial attitude on life needs to be also developed, harnessed and implemented’, and so far the support networks of the entrepreneurial ecosystem have assisted Craig and Contact Always immeasurably to achieve this.

**Firm development and the Entrepreneurial Ecosystem: Critical Events and Phases Profile**

- Critical Phase 1: Developed skills and experience in various roles before new venturing
- Critical Decision 1: Turning an invention into a business opportunity: Contact Always
- Critical Phase 2: Participation in Venture Dorm
- Critical Decision 2: Product Development
- Critical Phase 3: Moving into Polaris Business and Innovation Centre
- Critical Decision 3: Developing the commercial application and market intelligence.
Case Study: Deanne Loan – Quantum Edge

With a background in marketing and communication, Deanne Loan established Quantum Edge with two partners who had complementary skills. With two of the partners based in Adelaide and the other in Sydney they were ‘… not geo-centric …’ as Deanne explains, they were importantly, ‘… connected into the market and all had consulting [experience] independently’.

Situated in the water resources consulting sector Deanne explains that Quantum Edge was positioned to pursue large industry contracts. Their offering was something unique and the team received strong market indicators as an opportunity for the emerging firm.

Quantum Edge sought to develop a strong company brand as they embarked upon what Deanne explains was an ‘exciting and challenging’ period for the start-up. The small team of three partners, initially provided a consolidated strength as they embarked upon pursuing business opportunities, and fulfilling the demands of early contracts. The compact start-up team used their strengths in business development to engage government administrative agencies making the most of their skills and experience. Marketing was an important component of the start-up mix. The team quickly began to build cohesion. Deanne explains that ‘starting slowly and leveraging off what they already had …’ meant they were able to make a strategic market entry.

Deanne elaborates on the early phase of the start-up when this strategy was crucial to carefully selecting work. ‘One contract didn’t work’, Deanne relays, as their client, wanted them to go overseas. ‘We had to essentially knock back work where we couldn’t add value especially given the emerging status of the joint venture of the partnership’, Deanne reflects. Opportunity may have been lost, however, the lesson learned was to utilise limited resources the best way possible.

Very importantly for the founding members they ‘… wanted to enjoy the projects’ as enjoying what they did was part of the philosophy of the Quantum Edge team. The trajectory of Quantum Edge was a consistent progression through the early start-up phases due to the strategies the co-founders adopted. Deanne remembers how Quantum Edge ‘… steadily building their enterprise began to move to the growth phase. As Quantum
Edge began to develop in the market, the effect of the co-founders’ skills and experience began to demonstrate their combined worth. However, at the eighteen month mark one of the partners left to take a position elsewhere and the other retired.

What may have been a dramatic conclusion to Quantum Edge, proved to be the redefining next phase of the enterprise as Deanne ‘… refocused on [her] strengths and was able to utilize and make good use of support networks’. This next phase provided its own advantages in the face of the challenges that Deanne overcame with a new strategic approach. Deanne makes the point that it is ‘… important to connect with people who are thinking outside what you are doing’, as with any industry/sector, the established approach is not necessarily the most practical or beneficial and as Deanne details further, ‘… consulting is sometimes closed with the idea that it is done as it has always been done’.

In terms of the entrepreneurial ecosystem, as it existed in South Australia, for Deanne and Quantum Edge this was something that she connected with especially after the departure of her co-founders. Deanne reflects that in terms of the Adelaide Entrepreneurial Ecosystem (AEE) there are distinct benefits for consultants in being consciously involved, as in her profession ‘… it is a dynamic [process] what you put into it, and work with it, ... needs to be driven by the person’.

As part of the development of Quantum Edge and Deanne’s redefined approach post the departure of her co-founding team, was a natural integration into the diversity of the AEE as Deanne sought to ‘… not bring anyone else in [but rather] connect with other networks of entrepreneurs ...’, which effectively created an opportunity to be a part of ‘... more agile teams ... coming together ... to then disband ... and later reform ...’. Deanne explains that she essentially formulated ‘... different team members for a project ... sourcing expertise externally rather than internally ...’, which had the ancillary benefit of providing the agility to embrace the dynamism that Deanne saw in the AEE, ‘... I like the word ecosystem ...’, says Deanne, ‘... it is moving not static’.

For Quantum Edge it had been an interesting and productive entrepreneurial journey as Deanne recalls, ‘... when we started ... it was different to how it is now. It has changed a lot, the whole consulting area has changed a lot and you have to move with the market ...’. Regarding the need for flexibility and a responsive approach to this developing and changing market environment Deanne sees that, ‘... if there is too much structure it can
inhibit ... being a rigid structure rather than a fluid structure ... it is important these days with new technology and new ways of doing business to work at the cutting edge ... ‘, and for Deanne and Quantum Edge discovering the benefits of the AEE and its support networks, in terms of business opportunities and the ability to source resources including valuable skills and experience, has been a tremendous and unexpected connection with a community of entrepreneurs in a dynamic ecosystem.

Firm development and the Entrepreneurial Ecosystem: Critical Events and Phases Profile
Case Study: Jessica Perry – Career BluePrint

Jessica Perry was still at high school when she began her entrepreneurial journey and started her now thriving business Career BluePrint. Jessica explains it was the school itself that was really the point of commencement into her future business endeavour. As Jessica sought career counselling at school to plan her own career, it was this experience that essentially defined her start-up venture. She comments on how the career planning exposure coupled with her home environment where ‘... both parents were entrepreneurs’, seeded an alternative self-directed career path.

Leaving school was also a preparation for things to come as Jessica built upon a school based apprenticeship, and took a job at a local grocery outlet, Foodland. With Adelaide Training and Employment Centre (ATEC) educational support and the achievement of a Certificate III in business Jessica began to see her future role as a facilitator between the employer and the work based apprentice as she could ‘... customise training.’

After undertaking a public speaking training course Jessica had developed techniques that helped her be accepted to the Spark Program, that provided access to a network of mentors and community business leaders to help her launch her business idea. Later in May 2014 she was accepted into Business SA’s SAYES (South Australia Young Entrepreneur Scheme) program.

The assistance from the Adelaide Entrepreneurial Ecosystem (AEE) resulted in substantial developments for Career BluePrint as Jessica worked to produce a comprehensive business plan and visual portfolio. The programs assisted with defining realisable though still ambitious goals and determined ‘... that the business was face to face and the core product was workshops ... before then moving online...’. The result importantly was the delivery of a scalable business that created assets. Jessica explains that she discovered the ‘backend of how to develop something … and began to develop a team … including a web development graphics team overseas and a research team of ten people’.
Jessica’s mother Wendy runs a successful company across some similar terrain that her daughter is now negotiating. Wendy on strategy and when coupled with an entrepreneurial father, Scott, who assists as a product development manager, Career BluePrint couldn’t be in better hands with such a familial support network, although run completely independently by Jessica.

Through her exposure to support across the AEE at such a formative stage of Career BluePrint’s development Jessica has been able to build a brand and market presence and focus on achieving a scalable enterprise that can grow. This has been assisted by networking and getting known in the AEE to almost be ‘building a personal brand’.

Scalability was important to understand as a focus because as Jessica evaluates regarding Career BluePrint’s trajectory, ‘... because you can’t sell time all the time’. Jessica reflects on her entrepreneurial journey and its many challenges over the period of Career BluePrint’s development and says, ‘... a lack of money hasn’t stopped anything ...’ and in many ways has informed a questioning attitude that asks ‘... what is the solution rather than what is the problem?’

Identifying the real customer as the target was another very important point of understanding as Jessica embraced the full scope of her entrepreneurial undertaking. We had to focus on ‘... parents and schools not the young funky and cool ...’ as Jessica terms it. A stable presence in the market was also a second and equal consideration to factor in as ‘... schools needed to know that you’d be there next year’ Jessica says.

With the move to an online offering Career BluePrint could grow national and aims next to launch into the international market moving towards offerings in the United States of America. Jessica observes that Career BluePrint has moved past its tipping point and can now consider ‘... moving to an international ecosystem ...’ engagement with national partnerships emerging in Victoria and West Australia that may soon see similar inroads internationally. There has already been the opportunity to co-brand events through existent and developing networks and with involvement in public speaking training and the opportunity to be involved in national and international conferences such as IVETA World TVET which is a point of orientation for vocational educators across the globe.

Jessica has been recognised with several awards across for her entrepreneurial enterprise and drive including recognition as ‘Young up-start under 30’ at Start-up Adelaide. With investigations into other global markets pending, especially across the Asia Pacific region.
and the seeking of strategic partners, Jessica’s move to a greater international ecosystem is set on a trajectory that will see her entrepreneurial journey continue exponentially. The assistance though provided by the AEE and its associated programs and networks can be easily viewed as the foundational opportunities that are provided across the ecosystem, it is through the development of entrepreneurs like Jessica that are the future extension, and living contribution to a much larger entrepreneurial ecosystem as the entrepreneurs and their enterprises venture into greater global entrepreneurial environs.

**Firm development and the Entrepreneurial Ecosystem: Critical Events and Phases Profile**
Case Study: Rob Silva – Adept Technology

In the role of Chairman of ADEPT, Rob Silva and his co-founder Nigel Hall identified an important gap in the market for firms looking to export. From the outset ADEPT was seeking to develop and enhance exporting options for businesses or companies. They wanted to transform the way business owners saw exporting. They understood exports could do more for businesses than just being used in response to a decrease in sales across local or domestic markets. Rob explains, ‘export was seen as what you use when domestic [sales] fell off. We saw products that were being sold locally that should have a place in the world market—that was our motivation’.

With diminished domestic sales during the 2008 Global Financial Crisis (GFC), there was opportunity for ADEPT to gain ground by convincing business proprietors that the benefits of exports was often hard won but better business. From ADEPT’s commencement in 2004, Rob recalls how the market began to change. ‘In early 2004 to 2007 it was predominantly physical products, now it is slightly different—the Cloud IT space has changed exporting’. This shift saw ADEPT begin to adapt as the market for exporting physical goods, given the increased competition and diminishing margins, began to decline. They then moved ADEPT to a professional services orientation which saw them develop their current niche of specialist ICT, project and software consultancy.

Through their experience with a changing market across the export and Information Technology (IT) sectors, the co-founders of ADEPT began to develop insights into how start-up culture evolved and succeeded in the market. There were ways that new ventures could have potentially been assisted if the right mix of assistance was available that also empowered the entrepreneurs and their ventures. And this is where ADEPT was able to apply its developed and developing expertise.

Rob explains that, ‘as business owners with [more than a combined] thirty years of experience we can relate to the lack of business maturity and acquisition of knowledge and experience’, by most new ventures. From that hard won experience Rob and Nigel
know that a very high ‘... percent of new businesses will fail [so it is important] ... to invest time helping them not to fail’.

Rob also details the differences between Australia and the United States of America (USA) concerning the perceptions of a ‘failed’ business or company—the attitudes between the two countries being markedly different. With ‘chapter 11 provisions [in the USA] ... the failure process is better structured with a focus on protecting suppliers’. This is a very important point as Rob explains, ‘... with there not being the same cultural acceptance of failure in Australia, the entrepreneur is less likely to give it a second go, so if it doesn’t work they look for a job, they lack risk appetite’. Simple fact being, if you go bankrupt or into liquidation in Australia the entrepreneur is out for at least another three years as a minimum’. Rob believes that the government can assist with a change of this perception by generating a positive attitude as an antidote to the fear of failure. Rob says, ‘ultimately we need to embrace the crazy brave culture in contrast to the other end of conservative no risk’.

Although Rob doesn’t see himself as distinctly part of an entrepreneurial ecosystem he has participated in specific programs such as Innovyz. While this was beneficial it did not result in a direct outcome. As with much of the entrepreneurial support activity that characterises the Adelaide entrepreneurial ecosystem, it is made up of dynamic service elements which Rob and his co-founder feel they are very much an integrated part. Rob says ADEPT is positioned to give more than receive, extending the international capabilities of business directly leveraging ADEPT’s wealth of experience and business knowledge.

For Rob, and ADEPT, there is an acute awareness of the need to support and develop businesses and start-ups from their commencement. In Rob’s view there are a number of options to assist, from incubators and serviced business options to co-working communal possibilities. However he makes the point that ‘... every business has some basic needs when it starts—knowing when to sign an agreement and when you don’t, when to contract or otherwise’. This is especially the case if you are dealing with jurisdictions overseas that include the intricacy of a different language and culture.

As much as there are risks to mitigate against and potential pitfalls for business and new ventures, Rob views there to be rich potential benefits for the ‘crazy brave’ entrepreneur. It is merely a case of navigating the pathway to ensure it is a smoother and easier journey through the entrepreneurial ecosystem, whether local, national or international.
Firm development and the Entrepreneurial Ecosystem: Critical Events and Phases Profile

Critical Event 1: ADEPT Technology Established

Critical Phase 1: Survival in poor market dynamics

Critical Event 2: Re-focus due to a shift in market dynamics (GFC)

Critical Phase 2: Gain market insight

Critical Event 3: Embedding into entrepreneurial ecosystem through program participation

Critical Phase 3: Consulting services actively contributing to the entrepreneurial ecosystem
Case Study: Scott Zarcinas – DoctorZed Publishing

Dr Scott Zarcinas is a medical practitioner turned publisher who founded the first dedicated eBook publisher of its kind in Australia in 2006, publishing exclusively to personal computers. Later, he was to expand publication to Kindles, iPads, mobile phones, and other e-reader devices. Since 2011, he is the current Chairman of the Australian Digital Publishing Group.

With direct experience of the difficulties authors face when attempting to publish original material, Scott decided to take the initiative, ‘I had a tough time getting my own work published with two hundred and fifty rejections of manuscripts,’ he says.

As a paediatrician practicing in the medical profession, ‘DoctorZed’ became a conveniently combined abbreviation of his honorific and surname ‘Zarcinas’, and a fun way to connect with his young patients to help them, not only be at ease with medical procedures, but also communicate more effectively and easily. As a founder of DoctorZed Publishing, this ethos was carried over to his start-up venture in 2006 as communication to an established market presented a range of significant challenges. After experiencing a number of years enduring the survival phase of his business, Scott was suddenly presented an opportunity, through what was for him, the somewhat fortuitous Global Financial Crisis (GFC) of 2008. With significant parallel technological developments, a unique niche market opportunity presented itself. Almost miraculously with transformational implications for the up until that point surviving company, ‘a new uncontested market space opened up’, Scott explains.

DoctorZed Publishing was perfectly placed to accommodate its newly defined market parameters. From a paucity of interest in this new online offering, Scott recounts how, ‘essentially a perfect storm developed and then there were lots of enquiries’.

Importantly, during this period Scott also joined the national body the Australian Publishing Association (APA) that advocates for its members and provides a directory of publishers that the public can utilise to locate local and national publishers. Within a couple of years,
DoctorZed Publishing was a global provider with ninety percent of sales overseas, the majority being across the United States of America (USA). The Australian sales, being two to five percent, encouraged Scott to expand into print book production in 2011. The option to print books on demand became more affordable for him as costs became more competitive from printing companies specialising in low print runs. Scott makes the valid point that ‘… every book begins as a digital book …’ and this is where he has placed the emphasis in his market offering of a product that can be provided in soft or hard copy as the market demand decrees.

Recently, Scott expanded his enterprise across business to business (B2B) and business to entrepreneur (B2E) markets. He found a market need for a book that stamps credibility or authority. He observed a client shift toward a speciality demand for a ‘How you create your own business and became an expert’ type of publication. Enthusiastically, Scott details the listed benefits of such a publication; it ‘… gives credence to the owner of the business with increases to ninety five percent more leads, eighty five percent in branding, fifty three percent in fees, forty eight percent in higher client listings; the book is not to sell books but to sell business’.

Ever the entrepreneur, Scott has become integrated into the entrepreneurial ecosystem based in Adelaide, with a global reach for his products and a context of an online book distributor and brand builder. For Scott, ‘… Business SA was a very good source …’ and explains ‘… I got to a lot of their networking functions … entrepreneurs being about networks the more you meet the more they can help you and you can help them …’. Commenting on the importance of geographical location he sees that, ‘… being in Adelaide is not a hindrance …’ and considers it is ‘… land locked not by sea but by distance’. What was once such an important aspect of business, being located near your market has changed, ‘… I can make sales in Russia and Alaska … with the internet it doesn’t matter where you live anymore.’

As such Scott explains that he doesn’t need to travel overseas very often, although he does attend national publishing events such as the Australia Council of the Arts, Visiting International Publishers week, aligned with the Sydney Writers’ Festival and Adelaide Writers’ Week. There is also a range of book fairs and exhibitions that Scott finds advantageous for DoctorZed Publishing to be present at, and then there are the bookseller’s associations which bring together booksellers from around the country for
specially presented events. There is huge competition across the publishing industry in Australia, but as Scott notes ‘...booksellers in Australia are independent and not dictated to by bureaucracy as is the case in the USA’. Scott makes the point that, ‘... like any business, once they know your face ...’, you get accepted, ‘... especially if you’re a nice guy!’ Scott adds with a smile.

When considering his entrepreneurial journey, Scott reflects upon the start-up phase being the hardest, and most enduring, until of course he was counterfactually assisted by fate to reposition in the market prompted by the GFC. Perhaps it was the transitioning between technology and distribution methods that found Scott perfectly positioned to ride the crest of the wave into a new era of book publishing. For Scott it is all about, ‘... building brand in the market … mainly online that is my focus …’ he explains as he also comments on the early years of his venture, ‘the start-up phase is where most help is needed ... lot of investment is required ... where [assistance] could have helped ... as it is a marketing game … with 33 million titles, there’s no point getting in the Amazon Bookstore and no one knows you’re there ... marketing is a priority in any business.’ The advent of the GFC saw a change in Scott’s marketing approach that made all the difference, ‘... the first three years was all about my books and in 2009 I got more clients ... building a catalogue up to three hundred now that was the most difficult time.’

Even though Scott started with a low-cost base and a home office without any overheads and eBooks having minimal cost of production, except for art design for the cover and interior layout of the book, it was still a difficult period during those early start-up years. However since the advent of the GFC, where readers began to show preference to eBooks rather than paper based offerings, 2009 to 2011 saw the market for eBooks go ‘...through a frantic phase doubling in growth every year for two to three years ... which has now stabilised ...’.

Scott is optimistic about the future and may even consider a ‘... harvesting option in the future ...’ at some stage. However, for the time being, he is happy with the growth in DoctorZed Publishing although he is not complacent about his enterprise and the industry required to run it as he is still very active in the Adelaide Entrepreneurial Ecosystem, especially with Business SA, stating in summation, ‘... businesses are built on networks.’
Firm development and the Entrepreneurial Ecosystem: Critical Events and Phases Profile

- **Critical Event 1**: DoctorZed Publishing Established
- **Critical Event 2**: Global Financial Crisis coincided with new technologies
- **Critical Event 3**: Joined Australian Publishing Association
- **Critical Event 4**: Developed a niche product to fuel growth

- **Critical Phase 1**: Survival, gaining market experience
- **Critical Phase 2**: Growth and expanded networking through entrepreneurial ecosystem
Case Study: Wendy Perry – Workforce BluePrint

Wendy Perry has been described as an Edupreneur due to the innovative and transformational work undertaken nationally and globally by the company she established in Adelaide, South Australia, Workforce BluePrint.

Wendy established her business in 2002 and launched the Workforce BluePrint brand in 2006. At the age of 25 years Wendy was the youngest manager in the Vocational and Educational Training (VET) sector organisation, TAFESA. Wendy’s entrepreneurial career leverages her expertise and substantial experience as an outstanding intrapreneur—being ‘entrepreneurial’ inside another organisation—to develop a suite of innovative educational/vocational offerings to the workplace.

With a background in South Australia’s State government, Wendy decided to quit a successfully developing, and relatively secure career pathway, and ‘… do it for herself’. The leadership positions that Wendy had achieved across a range of roles in government and private sector organisations served her well as she departed to engage in her own business operations. Wendy admits that when she embarked upon the venture she was a ‘… bit green …’ but with ‘… great confidence …’ attempted a leap into the unknown as she ‘… didn’t know what support was available.’

Like many start-ups Workforce BluePrint was devoid of a great many resources; however, Wendy did have an established network that furnished her emergent enterprise with a number of essential work appointments, during those crucially important initial stages.

Like any entrepreneur establishing a new venture, especially during the start-up phase, Wendy faced a series of challenges. Entrepreneurs need to adjust to results whether positive or negative, and Wendy found that across policy changes and a myriad of other experiences in the early stages of the business she was able to reflect and innovate the offering to the market. The challenges were an important part of the moulding of her toward Workforce BluePrint’s services. Wendy realised that consultancy would not be the basis of survival and so she explored other options, attended many professional
development events and productised the services. Wendy recalls that ‘… during the start-up phase [she was] selling time, not really appreciating the need to productise…’ and she now views this as an important mind set shift.

There has been substantial developments for Workforce BluePrint as Wendy over the intervening years has seen the company’s product delivered across a broad range of countries and continents including Africa, Bhutan, Ecuador, Fiji, India, Indonesia, Malaysia, Maldives, Mongolia, New Zealand, Philippines, Singapore and the USA. Wendy recalls, ‘…it was just me for a few years until I took on my first employee…’ and now the company has grown capitalising on its IP (Intellectual Property) and expanding to new areas of operations and industries.

Wendy sees that Adelaide and South Australia have developed a presence globally accompanying an international perception of a place desirous for visitors to travel to, and which has become known for its lifestyle among other offerings. The development of this global profile for Adelaide made the establishment of the international elements of Workforce BluePrint much more palatable as international expansion began to develop during the growth phase. The market reach is continuing to be enlarged into the South Pacific and Asia regions as well as further into the USA.

As Workforce BluePrint continues to develop and grow, Wendy has considered succession planning and ‘…a sale in the future perhaps’. The company has seen a lot of partnering in recent years and a proliferation across entrepreneurial ecosystems not only in Adelaide, as Wendy comments, ‘When I first started I knew about industries and groups [but] never described it as an entrepreneurial ecosystem’. However as the years progressed and her daughter Jessica decided to pursue entrepreneurial enterprise, Wendy became introduced to Start-Up Weekend and other networks beyond the traditional. Wendy was ‘… looking for something different’. Being involved in the entrepreneurial ecosystem Wendy says, ‘… what I’ve learnt is to challenge my expectations, especially in terms of how long things take, applying lean startup thinking, getting to a Minimum Viable Product to see if it works, and scaling up internationally’.

According to Wendy governments internationally are looking at innovation and entrepreneurship to develop their future workforce and that is where Workforce BluePrint is strategically situated to meet this growing global market demand. The service offering that Wendy has been perfecting over the past several years took a new and inspired
iteration, born out of her exposure to the entrepreneurial ecosystem, as Wendy saw the merit in taking lean methodology and applying it to traditional business and was also introduced to growth hacking, a way of testing products within markets at minimal cost. Wendy explains that we ‘... growth hacked our own businesses, explored new discovery technologies and regular travel overseas to ensure we are across the latest workforce trends and future jobs. The entrepreneurial ecosystem locally and internationally has become important as we believe that the number 1 job role for career resilience is entrepreneurship (as a founder, intrapreneur and/or operating with a social conscience). Having a strong network and support from business leaders, entrepreneurs, government and startups has seen Workforce BluePrint delivering capability programs in entrepreneurship, workforce planning and development in every industry sector and many countries around the world - something Wendy never imagined back in 2002 when she 'went out on her own'.

**Firm development and the Entrepreneurial Ecosystem: Critical Events and Phases Profile**

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Case Study: Mukesh Kumar – Universal Network of Infotech

Mukesh Kumar is an inspiring optimist as he describes his entrepreneurial journey commencing in Delhi, India before moving with the family business to Fiji and then New Zealand. Mukesh has now taken up residence in Adelaide, South Australia with his own business entity.

As founder of Universal Network of Infotech, an Information Technology (IT) educational provider and with an option to choose the best location for his enterprise in Australia, Mukesh decided upon, and settled in, the city of Adelaide.

The business’ foundations were established by Mukesh’s father in 1999 after he retired from the armed services in India and decided to base the new venture in the city of Delhi in India. It operated there until 2005 when it then relocated and moved to the Fiji islands before also opening up in New Zealand.

Keeping the business small was not necessarily a part of the strategic planning, so it grew across the markets and within its offerings. There was not initially a succession plan in place, but as Mukesh became involved in the family business, he was able to leverage the experience in Fiji, which was where his entrepreneurial journey really began. It soon became clear that he, and Universal Network of Infotech, would continue on in the Australian market. For Mukesh he can now see, ‘…it [was] an important developmental stage for [him] and Universal Network of Infotech’. Mukesh learnt a lot about government rules and regulations in Fiji, which would ultimately stand him in good stead in Australia, as he firstly tried and tested potential markets in Melbourne which proved to be really tough. This led him to consider establishing business in Ballarat before deciding to move and settle in Adelaide.

In Adelaide there was good access to government departments which often used consultants to bring in professional experience. The market was based on International students, and some domestic, which Universal Network of Infotech was well positioned to
address given it already developed IT education skills across three countries before Australia.

Mukesh reflects upon the development of the business and especially the early stage trying to survive; crossing the Valley of Death between the twin mountain peaks of ideas on one side and commercial viability on the other. This stage of the business proved to be a defining period for Mukesh as the Adelaide founder of essentially a new start-up, in a new country. Although seemingly a daunting task, the new venture was firmly built upon the previous international experience. During the survival stage there were ‘... critical challenges and having established in new countries before as part of his father’s business, that experience really helped. Areas such as finance and access to it, was very important, ‘... it was very difficult being the main person ...’ Mukesh comments. This period was essential as he and the firm really developed professionally ‘... the first thing is to survive and keep the quality’ of the offering in the market’, he says.

It was really in Adelaide that Mukesh was able to refine and define Universal Network of Infotech’s offering in the market. Although the stage beyond survival was to see some years of adjustment, he was able to develop internal systems that integrated his business to achieve stability and then growth. Although the business had moved successfully into the growth stage he decided strategically to keep everything small in terms of scale, however ‘... grow the system’ was his motto.

Although now established internationally, with a section of the family business open in the United Kingdom, Mukesh believes that the firm’s integration into the Australia market was an important phase of his entrepreneurial journey. Having completed a Bachelor of Commerce degree at the University of Delhi, Mukesh is keen to continue to grow Universal Network of Infotech and at the same time explore options that exist in the entrepreneurial ecosystem in South Australia to potentially establish other connections and links as he would ‘... like to connect to IT businesses to grow ... to establish [contacts] and understand the whole environment [in order] to position the business’. As Mukesh believes that understanding the entrepreneurial ecosystem would provide ‘... a great advantage’.

The strength that Mukesh believes he developed during the establishment of the Australian offering of Universal Network of Infotech led to an independence for the firm that had a holistic effect upon the global components of the entity, and for him as a founder and entrepreneur in the market as well.
Firm development and the Entrepreneurial Ecosystem: Critical Events and Phases Profile

- **Critical Decision 1**: Universal Network of Infotech Established
- **Critical Decision 2**: Family business experience in Fiji and New Zealand
- **Critical Decision 3**: Establishes new business arm in Australia
- **Critical Phase 1**: Settles in Adelaide
- **Critical Phase 2**: Develops the business systems and processes
- **Critical Phase 3**: Continues to expand globally based on lessons learned in Adelaide
Appendix 1