

Surge of interest in Leaders

IN THE current uncertain economic climate, Queensland Leaders expects to see hundreds of privately owned businesses seek a place in its mentoring program – now into its fourth year.

“As business and consumer confidence levels have continued to fall since January, we have been receiving a higher level of inquiries from businesses months before we opened our nomination process,” Queensland Leaders chief executive James Paulsen said.

“Normally we would not receive many inquiries before we open up for nominations but this year we’ve been approached by more than 60 businesses already.”

Each year Queensland Leaders selects 25 private growth companies to become members, undertaking a 12-month executive series “where they receive the knowledge, skills and access to capital they require to maximise their opportunity”.

On completion, members become part of the alumni, receiving a further two years ongoing professional development and networking opportunities.

He said the program was designed to “allow the knowledge base of highly successful businesses to be shared with their smaller counterparts, in order to foster the next generation of leading businesses headquartered in Queensland”.

State ready if things go bad

Sophie Foster

LOCAL manufacturer Rory Murphy has never been so confident about the future. His family’s Darra-based civil engineering and building company, Canstruct, has seen turnover go to around \$55 million this year, with contracts linked to mining, refugee accommodation and development in Papua New Guinea.

“Things are booming,” he said. “It’s never looked so good. We’ve never been so confident about the future. We do expect cost rises to accommodate that growth but Queensland is so well placed on all levels.”

That optimistic view is not shared by Mr Murphy alone, with the inaugural Commonwealth Bank Future Business Index finding that Queensland businesses were among the best prepared in the country for future economic volatility.

It found that Queensland was home to the highest proportion of businesses (52 per cent) that were well prepared for future conditions.

The index, which analysed the views of 427 financial decision-makers in public and private companies with turnover of \$10 million to \$100 million – found that more than half of Australia’s mid-market companies were not ready for continuing fluctuations in business conditions over the next six months, having no risk, business continuity or succession plan in place.

“The outlook suggests that in general, mid-market companies are not confident about their position in which to weather uncertain business conditions in the near future,” said Symon Brewis-Weston, CBA’s executive general manager corporate financial services.

“The general lack of confidence we are seeing may result in a low appetite for risk and capital investment over the next six months. Despite this, activity among Australian businesses looks set to continue to

THE NEXT 6 MONTHS

Percentage of Queensland businesses expecting increase in:

Salaries and wages	50%
Operating costs	61%
Revenue	52%
Profit	46%
Capital expenditure	32%
Headcount	28%
Risk appetite	24%

Source: CBA

grow, albeit at a slower pace and in certain pockets of the economy. For those companies which take a proactive approach to management and planning, opportunity is still very much alive.”

The key findings for Queensland were that mid-market organisations expected rising fuel costs to add to the impact from natural disasters, further weakening business conditions.

About 61 per cent of businesses in the state also expected operating costs to rise, though Queenslanders were less likely to expect an increase in salaries and wages than other states.

As a testament to the multi-speed nature of the economy, Queensland businesses were divided when it came to their appetite for risk, with 24 per cent expecting a rise and 28 per cent expecting a decrease.

The index found that many organisations were increasing their use of hedging and debt facilities to minimise exposure to economic fluctuations.

“Whilst businesses seem to have put some thought on how to manage future adverse conditions, it’s clear that more work needs to be done in order to effectively protect themselves,” Mr Brewis-Weston said.

For manufacturers such as Mr Murphy, though, there was no dent in confidence.

“This is a golden age,” he said. “The only thing we’ve got to fear is fear itself. We’re so well placed.”

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Exporter gets just deserts

Sophie Foster

OFTEN licked, never beaten is how Brisbane ice cream company Frosty Boy paints itself, and over the past two years, its exports have worked hard to prove that right.

Despite difficult global economic conditions and the high Australian dollar, the company saw exports increase 78 per cent over the past two years – not by miracles, according to chief executive Dirk Pretorius, but through significant planning.

“What we do is basically go into a country and target that market to understand it better, then we start to look at potential customers and a potential distributor with whom we spend a lot of time in training,” he said.

While he may make it sound easy, that process can take anything from 18 months up to two years.

“There’s a significant amount of planning and you need the drive and effort to see it through, because it’s not an overnight thing,” Mr Pretorius said.

From an export segment which made up just 2 per cent of its business in 1999, Frosty Boy now sends product to more than 30 countries.

The take-up rate offshore, Mr Pretorius said, was spurred by boosting service levels and ensuring Frosty Boy products were very worthwhile for distributors and wholesale customers.

“Giving a product to our customers that they can put out there and make money out of, make profit, that’s what’s really giving us an edge in the marketplace,” he said.

Privately owned by three family trusts, Frosty Boy provides not just ice cream blends but equipment and training – and now free-on-loan equipment provision for the domestic market.

“We’re on a drive at the moment to get more soft-serve machines out there,” Mr Pretorius said. “In a year’s time, we will definitely keep growing on the export market but in the local market, we want a lot more awareness of Frosty Boy with some really good growth as well



SOFT SELL: Chief executive Dirk Pretorius says Frosty Boy’s ice cream ‘makes people laugh and smile’. Picture: Sarah Marshall

in local RSL clubs, milk bars and cafes.

With a background in animal science studies, majoring in dairy science, Mr Pretorius has found the Frosty Boy journey a good fit. But it also helps that he loves the products he makes.

“It’s something that makes people laugh and smile and they enjoy

it, so it’s great to work with,” Mr Pretorius said.

He said anyone in manufacturing knew how hard the environment was. “You’ve got to really focus on what you’re good at,” he said. “As long as you do that, and you know exactly what your plan is and how you’re going to execute it, I think you’ll make it.”