



## Operating a business using the power of technology can rein in costs and free up your lifestyle. **Report: Caitlin Fitzsimmons**

● The idea that starting a business requires significant sums of money will soon be as antiquated as a bowler hat.

It still requires sweat and toil to make a new business successful but the great levelling effect of technology means there are almost no barriers to founding it in the first place.

By choosing to work virtually, a new breed of web business is saving thousands in overheads, while gaining access to global opportunities. Staff and contractors can be located anywhere in the world and so can customers.

The managing director of training organisation RTO Transformed, Michael Young, is based in Canberra, with 10 full-time staff spread between Sydney, Melbourne, Brisbane and the Gold Coast hinterland and another 40 trainers on contract around the country.

“Our focus for the first few years was around Canberra and the reason we were looking for virtual staff and virtual operations is that we were starting to expand out of that geographic location,” Young says. “Unemployment was at

record lows in Canberra; there wasn’t anyone available and the cost of employing people in Canberra [was too high] because of the starting salaries compared with any other city.”

The company provides online training and face-to-face workplace assessment, particularly for the construction industry. Young says online learning caters to busy senior staff and companies in remote areas, such as miners.

The decision to work virtually may have been borne of necessity but it has delivered so many benefits that Young wouldn’t have it any other way.

RTO Transformed saves about \$250,000 a year, between 10 and 12 per cent of overall costs, by not having the overheads of an office. But Young also points out he saves thousands more by hiring people outside major cities and employing specialist staff for the hours needed rather than having a marketing person do one day a week of marketing and four days of administration to fill in time.

“It means I can employ the best people

regardless of where they are located,” Young says. “It’s created some fantastic situations with work-life balance ... and created employment opportunities for stay-at-home mums in rural and regional Australia.”

Similarly, the Writers Coffee Shop, the fiction publisher that shot to fame with the success of *Fifty Shades of Grey*, is nominally based in Sydney but its 30 to 35 staff are spread around the globe, in Europe, North America and New Zealand as well as Australia.

Owner Amanda Hayward says publishing is an ideal web business because everything is done via the internet. The Writers Coffee Shop does traditional printed books and distribution as well as e-books and Hayward points out that even delivering the manuscript to the printers is done via web upload these days.

“[Publishing] is basically made for it – we’re not doing anything that publishers with an office don’t do, so I can’t believe they are still working that way,” Hayward says. “You don’t need an office building so long as you’ve got a PO box.”

## Make the shift

● Even companies that need a real-world presence can dip into the world of virtual business.

Martin Reeve owns Sydney-based Weddings in 3D that provides 3D videography for weddings. He used online skills marketplace Freelancer.com to outsource the development of his website and found a developer in India to create the website, within his time frame, for \$500. He is delighted with the result.

"I didn't choose the cheapest quote, I chose the one with the best credentials that could do it in the time frame needed," Reeve says. "There were people in America and Europe who would have done it for the same price."

Reeve says using Freelancer.com helped expose Weddings in 3D to a global audience and the company is now securing work abroad.

Meanwhile, international law firm Allens has embraced online file sharing. The company has physical offices around Australia and Asia but infrastructure manager Shawn Schmidt says the new technology is making communication with clients more efficient.

The security requirements of a law firm meant an enterprise solution was needed rather than a commodity tool, such as Dropbox, and Accelion fit the bill. The software is used by 1800 people on desktop computers and mobile devices, while the company also uses the MobileIron mobile device management system for iPhones and iPads so that it can deliver information and also remotely wipe company data.

"If 10 people needed a copy of something, you'd have to print it then pay for 10 couriers but now you can put a copy up," Schmidt says.

Caitlin Fitzsimmons



Made for it: Writers Coffee Shop owner Amanda Hayward says publishing is suited to working virtually

For Hayward, the decision to work virtually evolved because the business grew out of an online community and when it morphed into a business, she wanted to employ the people who helped run the site. It's a decision that has helped keep her overheads "tiny" but Hayward says one of the biggest benefits is the lifestyle flexibility, as she and many of the other employees have children.

Lifestyle flexibility also means the opportunity to live wherever you want. Eight years ago, Stuart McDonald co-founded online travel guide company Travelfish along with his wife. Although the business is registered in Australia, the McDonald family is based in Bali – not because the business required it but "because it's a pleasant and safe place to live and bring up children". Travelfish has a full-time contractor in Bangkok and more than a dozen freelance writers who file mostly twice a week. McDonald says the business is "completely virtual" except for researchers on the ground and he runs the business from his laptop or his iPhone.

"One of the primary advantages is a far lower cost base as we don't have office space and the associated overhead," he says. "Being able to run the business from my phone means we have a lot of flexibility regarding work practices, travel and so on. The downside of course is that I always have the office in my pocket!"

The underpinning of any web business is technology but these days many of the tools are extremely cost-effective or even free. For the staff at RTO Transformed, the instant messaging function of Skype is the main way to communicate with colleagues. The Writers Coffee Shop employees use the WhatsApp messenger app for iPhones and transfer manuscripts through Dropbox. Travelfish has a private Facebook group for contributors and uses Asana for task management.

The founder of Sydney-based online clothing retailer OhSoCeleb.com, Micheline Nakhle, uses Big Commerce for its e-commerce functionality, integrated with social media marketing and pays a monthly fee depending on the volume of

transactions. She paid about \$2000 to a Big Commerce partner to build the site and uses another partner, cloud-based email newsletter provider MailChimp, for her email marketing to a database of 3000 customers a couple of times a month.

Nakhle is a sole-trader who wanted a home-based business to fit in with the demands of looking after her baby. Her warehouse is her spare room, so she must manage her inventory.

Managing the human side of a virtual business can be a bigger challenge. For Hayward of the Writers Coffee Shop, the trick is to get the team together a few times a year to encourage bonding and camaraderie among colleagues.

RTO Transformed's Young says he found that management techniques need to adapt.

"It comes back to a degree of trust and the flipside is that you need performance measures and metrics in place," Young says. "Rather than work for X number of hours you need to be examining actual output of people and be clear about what's expected in the time frame." **BRW**