

Applying the Fertiliser to Grow Businesses and Jobs

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Filling the Regional Economic
Development gap



PORT MACQUARIE
HASTINGS



ECONOMIC GARDENERS

Context

Port Macquarie has substantial population growth, most recently based on visitors and retirees

The objective of the program is:

- To establish Port Macquarie as a leader in small business development and entrepreneurship
- To build diversity into the business structure and to broaden employment opportunities

The Need

- Government's fund infrastructure and other ribbon cutting projects
- There is an expanding jobs network and employment programs
- Little or no money is directed to building business capacity
- Council and Economic Gardeners seek to fill this yawning gap

Description

Regional economies include most types of businesses but few are large (> 200 emp)

PMH programs exist for:

- Business start-ups
- Small established businesses
- Small corporates (up to 20 emp)

A Program is envisaged for larger corporates

The Focus

- At this stage, the focus is on the small businesses and small corporates
- There is a lack of state and federal programs in this area
- The program seeks to build the capacity of small businesses to grow rapidly and extend into new markets

The Rationale

The Rationale lies in:

- The importance of small business to the economy
- The uncertain future of branch operations within non-local corporate strategies
- Local ownership normally gives maximum economic impact because head office support is locally provided

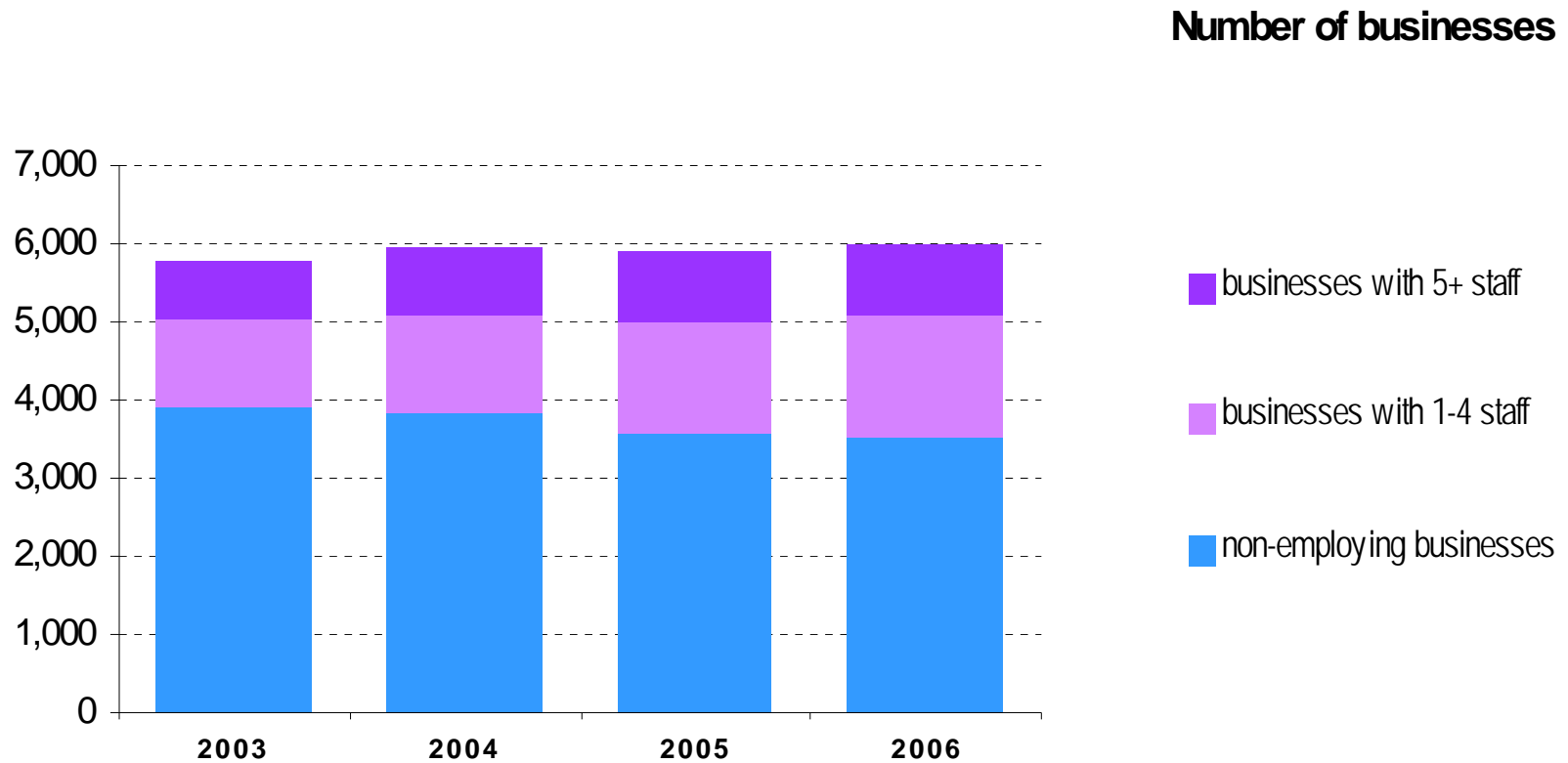
US Evidence

USA Employment Analysis

Jobs	2000	2007	Change	%
Total	155,287,695	156,113,754	826,059	0.5%
Noncommercial	24,452,282	25,153,908	701,626	2.9%
Nonresident	36,201,730	31,306,580	-4,895,150	-13.5%
Resident	94,633,683	99,653,266	5,019,583	5.3%
Stage 1 (1-9)	26,630,096	32,342,415	5,712,319	21.5%
Stage 2 (10-99)	36,057,686	37,888,374	1,830,688	5.1%
Stage 3 (100-499)	15,819,576	15,850,092	30,516	0.2%
Stage 4 (500+)	16,126,325	13,572,385	-2,553,940	-15.8%

Source: Edward Lowe Foundation, USW www.youreconomy.org

Business Growth in Port Macquarie



Interpretation

This last decade may have set in place the beginnings of a significant change in the US:

1. A shift from large businesses to small businesses (less than 100 employees)
2. A shift to local businesses (resident) relative to branch businesses (non-resident)

- **Is that likely here?**
- **It seem yes from the Port Macquarie data showing most growth in the 1-4 employee group.**

Which Small Businesses?

In the US:

- Mostly small – average 4 employees
- Mostly established > 20 years
- Quadruple sales and employment in 4 years
- No location preference
- Across all industries
- **It seems that the key focus is the business operator and good business practice – this is able to be worked upon in our economic development strategies**
- Source: US Small Business Administration

Hypothesis!

The program hypothesis is that high quality products and businesses exist in regional areas

Here are some examples:

Polocross racquets



Bennetts Polocrosse - have around 80% of the world market

Products – stretch fabric sportswear



Soft Edges – leading
maker of stretchy
sportswear

Outfitter for the
Australian Women's
Basketball team

Press for Making Trusses



Bennett Steel – Maker of a productivity-doubling press for making timber trusses

Reengineering Pie Making

Timbertown Pies
Gourmet pies
supplied in
components to be
fresh-baked on
the day of sale



Developing Market Niches

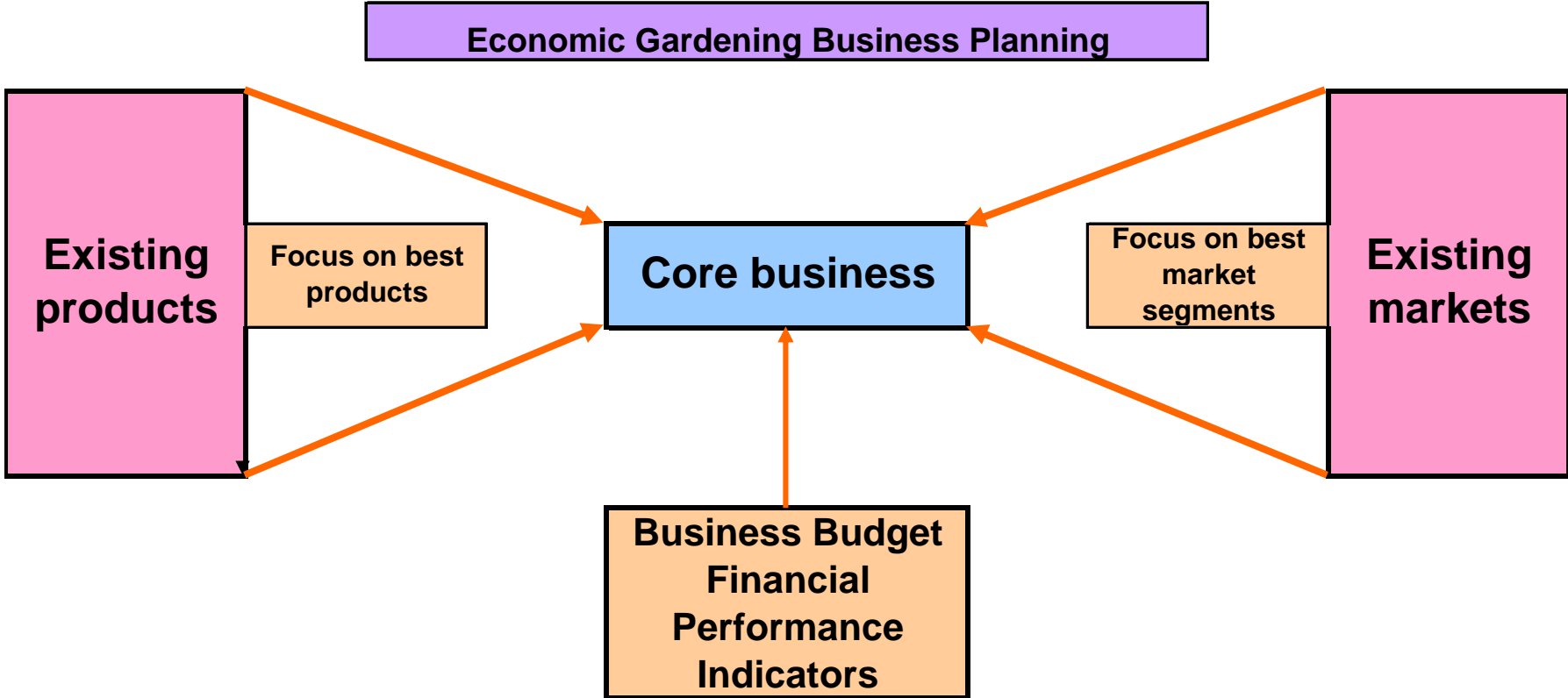
- Moisture Cure
 - dominating the dehumidifiers market
- Wiggly Tail - smoked hams and Wagyu beef
- Armstrong oysters – Sydney rocks
- NEDF – steel frames and doors for all uses



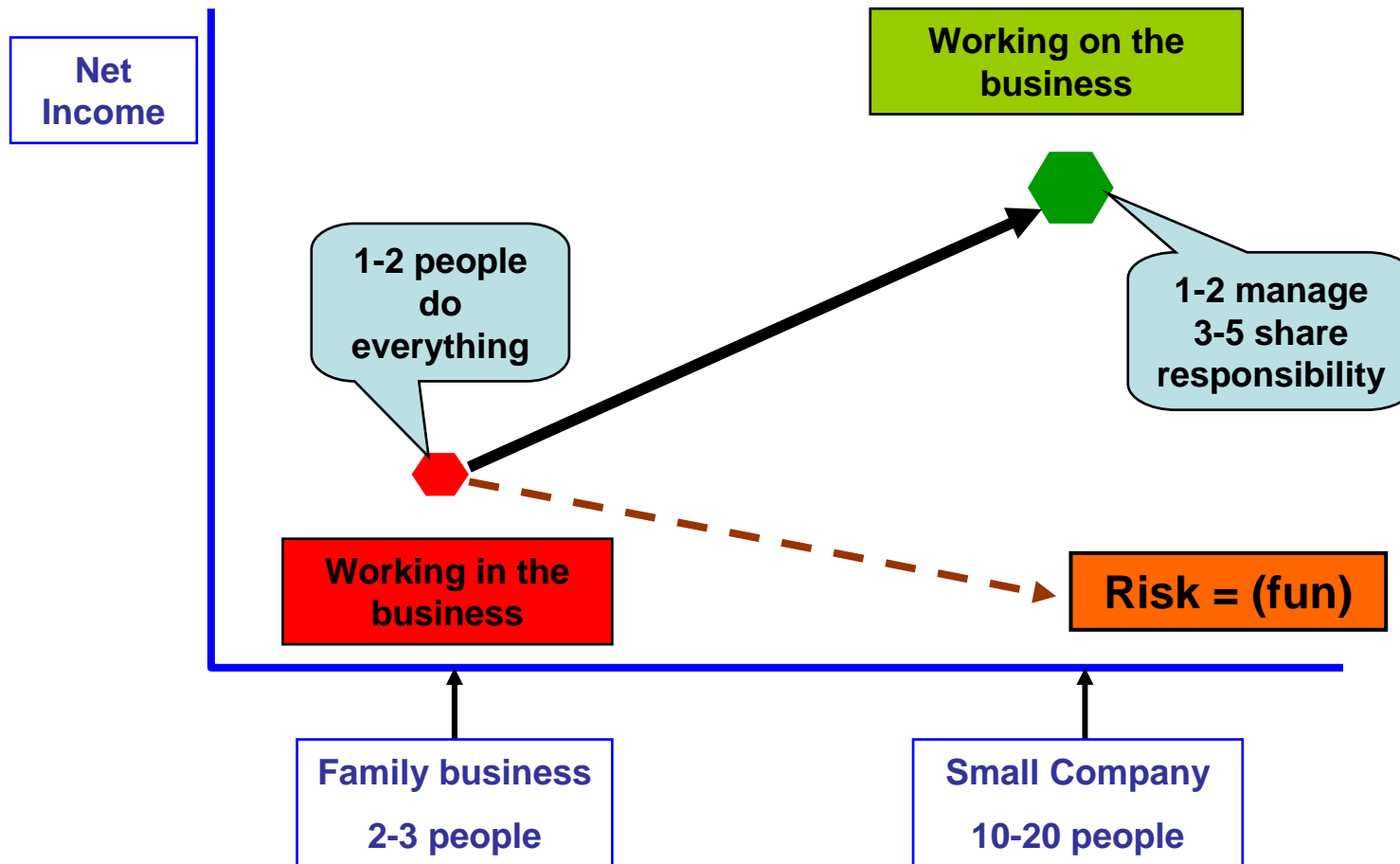
Distinctiveness

- Focus on small business
- Integrating business and personal objectives
- Refocusing the business operations
- Building robustness in getting to working “on” the business
- An integrated program over one-year
- On-going learning component

Sharpening the Focus



Moving to “Working On the Business”



The Value Proposition

- Helping small businesses to operate like large businesses!

Outcomes - Business

Change the way business operates:

- The business management and planning structure is in place
- Better focus in products and markets
- Financials:
 - Improved profits
 - Stronger Balance Sheet
- Higher personal returns
- Understanding and using tools for analysis

Outcomes - Personal

Building confidence

- Analytics to support intuition
- Understanding their business
- Knowing their financials
- Developing a supporting network

- Building security

- Shared management
- Reduced financial risk
- Strengthening their market niche

Outcomes – Region and Council

- A substantial business development program
- Building credibility with business
- Business growth = economy growth (= jobs)
- Diversity in industry and markets
- Establishing a culture of innovation
- Value for money

Contacts and More Information

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