

REVIEW OF
PRODUCTIVITY COMMISSION

TCF ASSISTANCE POST 2005

BY THE TCF RESOURCE CENTRE (WA)

PART THREE
JUNE 2003

FURTHER INFORMATION REQUESTED

by
Commissioner Phillip Weickhardt
Commissioner David Robertson

INTRODUCTION

TCF WA Submission Part Three - an addition to the previous TCF WA submissions submitted earlier in 1) March and then TCF WA comments on the Position Paper lodged in 2) May.

TCF WA Submission Part Three - is as a result of the presentation made by Carol Hanlon at the Geelong Hearings of the Productivity Commission on June 5th 2003; Commissioners Phillip Weickhardt and David Robertson requested further information be forwarded by TCF WA for their future reference and consideration.

The TCF Resource Centre (WA) applauds the Productivity Commission's efforts and its attempt to understand such a diverse industry but is concerned at a number of major issues

1) Lack of knowledge of the 'real' numbers of the Australian TCFL Industry

TCF WA is extremely concerned at the lack of awareness of the full extent of numbers actually operating in this vital and innovative industry across Australia. Homebased, micro and small business people operating, creating and producing product are not being considered within these proposed TCF Post 2005 recommendations to date.

Small business is the backbone of Australian employment, and in the Australian TCFL creative and innovative industry, starting very small in a homebased support network is an Australian tradition and is the way that many of the larger TCFL firms in Australia commenced their business life. (Statements from successful small TCFL businesses listed below)

Past examples of lack of recorded TCFL numbers:

Carol Hanlon, as designer & co-ordinator of TCF Awareness Week held in Geelong, July 1992 started the project with 35 known TCFL firms in the Geelong region and within 6 weeks had uncovered over 200 TCFL firms operating within the region.

- At the Geelong Hearings, June 5th, Geelong statistics quoted only 60 TCFL firms operating within Geelong region, which suggests that the original research and businesses uncovered have still not been recorded correctly. There would be many, many hundreds of

small businesses that would make a living through their talent and creativity and would employ others and contribute to the Geelong regions economy in a positive and inspiring manner that are TCFL industry members.

1998 in WA Carol as founder and Manager of the TCF Resource Centre of WA started with 180 known firms and now has in excess of 950 firms actively operating within the TCFL industry in Western Australia and this figure climbs daily.

Productivity Commission report quotes ABS stats (2000-2001) that estimate 5,000 TCFL businesses operating within Australia, with factory based employment of 58,000 and a proposed figure of 78,000 being more likely. TCF WA disputes this figure.

- in 2000/01 there were 1,122,000 small businesses in Australia (ABS, Small Business in Australia, 2001, Cat No 1321.0)
- 88,200 (7.7%) of these were in the manufacturing sector (same source as above)
- At June 2001 there were 778,400 home based small businesses in Australia (ABS, Characteristics of Small Business, 2001, Cat No 8127.0) this figure would also be much higher than recorded statistics.

It is quite clear that many tens of thousands of Australian homebased, micro and small business operators are being discriminated against because 'nobody' is taking the time or the putting in the effort required to fully record the extent of more accurate statistics of the Australian TCFL industry, and as such deliver support services to assist them in becoming globally competitive Post 2005.

An Australian TCFL industry operators gathering exercise is vital if the Productivity Commission is really serious about bringing benefits for the wider Australian community through their TCF Post 2005 Recommendations and to improve the Australian economy, and to assist displaced workers. These micro, small businesses may not be known in the major business circles or business organisations of today, but they are the future exporters to global markets, as they are design rich and are the true innovators of the TCFL industry. These TCFL firms are multiskilled operators and cross over many areas of ABS statistic gathering, so are not recorded accurately.

A true picture of the TCFL industry actual business operator numbers should be: that if a business plays a part in the design and/or construction process of all or some part of the product, and/or if they own their own intellectual property in the product eg label, trademark. Examples of this should include a patternmaker, textile artist, embroidery firm, a designer who owns their label and makes off shore, is also a vital aspect of the global future of the Australian TCF industry, but at the moment it is quite possible these people are not being counted or considered in any statistics. True statistics of actual operators of the Australian TCFL industry could be located and recorded by state based TCF Resource Centres if they were funded and in operation.

2) PAST SUCCESS STORIES REQUESTED BY THE COMMISSIONERS FROM HOMEBASED, MICRO, SMALL BUSINESS OPERATORS WHO HAVE DEVELOPED SUCCESSFUL TCFL BUSINESSES

(Contact details of all those listed below can be provided if required)

Profile – March 2001

SUSY GRIFFITHS – HOTBODS, BELMONT, WA

Susy Griffiths

Founder and CEO of HOTBODS CREATURES



In 1995 Susy Griffiths created the world's first microwaveable HotBod, after a further 6 months of trials, tests, research and business plans she established HotBods Creatures the company. Many skeptics were intrigued when with no capital, and whilst raising 3 children under the age of 4, she declared her plans to make HotBods an internationally recognized trade name and a profitable business.

By 1999 the rapid development of her business had outgrown the family home, and HotBods the company moved out. Now operating from her Belmont based offices the company's warehouse and distribution centre employs the services of over 50 machinists, staff, agents, and other local businesses.

In 2000 her company exported 150,000 HotBods to eight countries, and were proud winners as an Emerging Exporter in the 2000 Western Australian Industry and Export Awards. The company also won the Export Award and Enterprise of the Year at the 2000 Belmont Small Business Awards.

Susy originally comes from London, her interesting background includes 10 years experience in the fashion industry and 12 months solo travel around the world. She believes her success not comes only from what she learnt in the past but also from a real determination to achieve her future goals.

Turning 40 this year she continues to amaze those around her with her constant energy and pursuit for greater achievements. Embracing modern technology and implementing new systems and structures at a corporate level she plans to further develop HotBods competitiveness at both a national and international level. Reflecting on her achievements, Susy has developed a natural public speaking ability enjoying the opportunity to inspire, enlighten and entertain others.

“It’s an inspirational story for anyone wishing to follow their dream”

what are hotbods

HotBods are a range of cute and cuddly wheat-filled and naturally scented creatures, designed to be heated in the microwave or chilled in the freezer. They make ideal warm comforter, aromatherapy friends and novel therapeutic hot/cold packs for all ages.



THE WARMING BEAR



THE LAVENDER BUMBLE BEE



THE HAPPY FLOWER

www.hotbodscreatures.com.au

1994 – The invention of HotBods

Motivated from the success of the “Cooly Tie” I began to look for something else to continue on with. A friend told me about a heatable barley filled bag she had seen. I was immediately intrigued and rushed out to the local shops to buy a bag of barley. An old frayed bunny rug was utilised and my first heat pack was made. Warmed in the microwave I was amazed at the barleys ability to retain the heat, and unlike a hot water bottle its mould ability allowed the heat to be placed directly against the body. I believed there was great potential for this product and as my daughter Ella quickly reclaimed her new “hot” bunny rug with a passion my thoughts turned to the children. I made the first HotBods Bear, and tested it out on Jake. To say the least the results were amazing, and I had my first full nights sleep in months. Not only did I believe I had come up with a god send for all parent of sleepless child but I had also found the means to restore my sanity, self esteem and pursue what I believed was a great business opportunity.

1995 – The start of HotBods the company

With Ella and Jake now aged 21 months and 10 months, my life as a parent was still a full time demanding job. My husband, Glen still worked long and stressful hours managing his bricklaying business and our finances were stretched to the max.

I began working on my HotBods project. After extensively research within Australia and finding no similar product on the market, I set about testing my first HotBods. I made a small batch of bears and trial them on families with children of different ages. The results were even more amazing, not only did the children love them (refusing to give them up), but also I was begged to make more as they explained “Dad has taken it for his sore back” and “Gran’s using is for her arthritis” and “big sister is using it for her tummy cramps”. It was then that I realised the potential was bigger than I had initially anticipated and set about targeting HotBods to a wider market.

I spent the next few months preparing for the launch of HotBods. Working hard on the packaging and the name took considerable thought and time. I resourced materials, manufacturing and methods of marketing. I think even the children enjoyed the change in environment as they accompanied me on excursion to factories and wholesalers. Thank goodness for cordless phones and mobiles I could continue to run around the shops, bath babies, change nappies and still hold a conversation on the price of .25mm pvc and the legal requirements to register a business.

By April 1996 I was ready to launch HotBods. I managed to scrape together enough money to make my first batch of bears and took a stand at the Amcal Parents & Babies Expo in Perth. This 3-day show is open both to the general public and trade. I headed off with 200 bears, 1000 flyers and of course Ella and Jake. The bears sold out by the second day and I was rushing up to the local newsagent to photocopy more flyers. When potential customers enquired, "where will they be available?" "I confidently announced "from most pharmacies"

In the following weeks when I phoned around the pharmacies for appointments I was pleased to find my marketing ploy had worked, as many pharmacists were pleased I had called explaining, they had had quite a few customers enquiring about these "HotBods".

I discovered that wheat could also be used and from further investigations I found this to have a greater thermal capacity. With this knowledge I switched to using wheat.

In the early days like all small businesses I did every job, from cutting out the plastic bags, to hand stamping the header cards. I sold 50 bears in my first week. Word of mouth was the best form of marketing for HotBods and the company grew very quickly.

Initially, every bit of profit I made went straight back into the business, I soon could afford dies to be made and the bags were machine cut. Instead of photocopies, I could afford to have print runs done, I was able to purchase rolls of fabric rather than cut pieces. Generally my buying power on quantities enabled me to reduce my costs. It was not long before I needed help with packing orders and I initially employed a few friends and neighbours on a casual basis.

After hand writing \$125,000 in invoices for my first year I decided it was time to get a computer. My small office in lobby by the back door began to overrun the house, we had boxes lined up down the hall and poor Jake's bedroom became a stock room stacked high with boxes around his cot. I remember going into his room one morning to find a landslide had occurred during the night luckily just missing his cot.

At the end of every day I would pack and clear away the sign of HotBods from the kitchen, just in time to prepare dinner before Glen got home.

As Ella and Jake were growing up and I became more involved in running the business. Jake learnt to sleep in the car as we drove around in the old Corona to suppliers, manufacturer and shops. I now had several home sewers making between 20 – 50 bears each a week and a couple of girls sewing tape around the plastic bags. I employed an assistant to help with the control of the sewers, and it was her job was to allocate and collate production from her house.

It was time for a nanny. HotBods was now generating a fairly regular budget and although this would mean using up some of the profits, I knew it would enable me to continue to expand the business. Lara came in 3 days a week from 3 – 7, she would arrive, tidy the house, feed and bath the children, help put Ella and Jake to bed and tidy the house again before she left.

It wasn't long before Lara's hours were not enough to allow me to manage the business, and falling pregnant for the third time I knew I would have to make some changes. Although I could see the potential for HotBods expansion, I didn't want to totally give up my time with the children and in an effort to compromise I now looked for help with running the business.

Zena joined me in 1997. Initially one day a week, but as the business grew so did her hours and within 18 months she became my full time assistant.

Following the success of the Amcal Parents & Children's Expo in Perth I booked stands with the organizers for both the Sydney and Melbourne Shows. 5 months pregnant I flew off to Sydney, and single-handedly promoted HotBods for 3 days. In an attempt to create an eye-catching stand I gathered ivy from the local park and effectively decorated my 3m x 3m booth. By the time of the Melbourne show I had just given birth to our second daughter, Cassidy. I bundled her onto the plane with me and headed off to Melbourne. This time prepared with plastic ivy the stand looked just as effective. Luckily the booth next to me was exhibiting cradles and they were more than willing to use Cassidy as their live demonstration model.

By the end of 1997 my turnover had reached \$230,000

As soon as the roof was on the extension in our house I moved my office into one of the new rooms. I hired a sea container and positioning down the side of the house we spent that summer cramped and sweaty packing orders inside this steel coffin.

In 1997 I began negotiation with an American distributor, and shipped my first order overseas. In November of 1998 I was contacted by an agent in Queensland and started shipping HotBods directly to Japan.

1998 sales had risen to \$350,000.

Although problems with our American distributor and import restriction caused us to pull out of this market, Japan continued to grow.

Glen eventually erected a large 10m x 18m shed. As we were in the process of renovating the kitchen, the cupboards were reassembled in the shed and once again the kitchen bench became a HotBods packing table.

Our production rapidly grew during 1999 and as sales for that year reached over \$500,000 it seemed that almost every week we were needing more staff to help pack. When it reached the level of 10 people working from our shed, trucks backing down the driveway every day and our front verge looking like a party I knew it was time to find a new location for the business.

The Council turned up on my Birthday, 1st August. I proudly declared we were moving out in a couple of days, I had found my business a new warehouse. 200 sq metres of bare concrete. Glen organized a crew of workers and they sealed floors, painted walls, erected an 80 sq M mezzanine floor, installed office partitioning, and built racking, shelving and work benches and added a kitchen and bathroom. I organized the installation of electricity, phone lines, office flooring and furniture. Within 10 days of running backwards and forwards between home and the new warehouse it was announced that during lunch break the business was moving out of 14 Harman St and into Unit 5/103 Campbell St Commercial Centre. The girls arrived as the last welds were being put in place on the workbench, I can still recall the comments of "ouch this table's hot" as they set to work packing bears on it. Within 3 weeks the new offices and warehouse were up and running.

It was during this period of Glen's close involvement with my business that he actually saw what I had achieved. It was now a fact that I was making a good income and with this security he happily conceded to finish his bricklaying business and finally support me with HotBods.

In February of 2000 it was time to attack the UK market. With the 3 children, Nanny and Glen we took a 3-week trip to England and France. As we had recently sent our first order to a new client, Nature et Decouvert we decided to visit them personally in the outskirts of Paris. Faced with freezing weather we went to the Birmingham Gift Fair. Day 1 – Dressing the family in HotBods promotional t-

shirts we paraded the 4500 exhibitors isles. Day 2 – Dressed in business suits, Glen and myself personally approached several companies. Needless to say we succeeded in our quest and June 2000 saw our first order of 5000 units being shipped to England.

We now have over 700 outlets, 5 distributors and 5 agents in Australia. We have distributors in New Zealand, Singapore, Malaysia, Japan, Hong Kong, and UK and outlets in Ireland, and France. I have representatives currently investigating the potential in Canada and Chile.

I now employ 11 people in our warehouse and over 35 home sewers. This years sales have reached a staggering 1.7 million, and with sales forecasts and marketing plans it is predicted to rise to 3 million by 2002.

WARREN MCKINNEY – SEEKERS SWIMWEAR, PERTH WA

But for the record yes we did start as a home based business- more due to lack of money and experience, and gradually expanded with a small factory and then a larger one and now over the years the factory and local manufacturing content has contracted due to government policy changes and market pressures.

We now have a sampling unit in Perth and most bulk production is manufactured in China or India.

We design and market and distribute all our product from our Perth facility.

In 2002 we opened an office in Sydney for sales and marketing, and in 2003 we opened our Brisbane sales office with our own staff.

A major factor in our success(and survival!!) has been our focus and specialisation on branded swimwear-we own Sunseeker and are the Australian Licensee for Jantzen. Due to the specialisation we have been able to establish a long and strong rapport with design-fabric and production business facilities overseas.

Regards

Warren McKinney

Seekers Australia Pty Ltd

FIONA DIXON, KELLERBERRIN, WA

To Whom It May Concern.

I am a small registered business operator working directly from my home base. I do not employ any staff to help in my production. My business has been operating for 10 years within regional Western Australia.

My business produces hats for individual clients as well as an "off the shelf" range.

I would like to express my grateful support for the network at the Belmont Enterprise Centre and the TCF Resource Centre housed at the same location.

Through this network, I am able to receive quick responses to industry specific questions, as well as being regularly kept up to date with emerging opportunities in my business arena occurring locally, interstate and internationally, that I would otherwise be totally oblivious to. This network is vital to small business' that do not have the constant contact with other fields of their industry, and the networking has been essential to the expansion of my business.

I have referred many new small business operators that I have come in contact with to this service, and the feedback has been as positive as my own encounters.

I would like to see the resources made available to these enterprises continue and expand to maintain and nurture future opportunities that may develop for the small and micro business sector.

Yours faithfully

Fiona Dixon
Fiona Dixon Designs
Kellerberrin WA 6410

STUART ANDERSON, FREMANTLE, WA

Thankyou for this opportunity to record a little history. I guess I'm the perfect example of someone undertaking the transition you are asking about.

As you know I started my business from home quite by chance when still a student at TAFE. I was approached to create some patterns for a lady developing an aerobics wear line back in the 80's. I completed the task and continued experimenting with stretch fit pattern making techniques. Over time I kept receiving referrals from TAFE from ladies with fitting difficulties who sought made to fit swimwear. Over the years my client base grew to a 2-3 day a week side line for me.

I purchased equipment and fabrics/notions as required which made it very difficult to source things at a real wholesale price. Deliveries were always slow. Often it was difficult for me to buy components up front without some kind of deposit from the client. I had no training in business skills ... these came as I went along, learning by trial and error.

My client base grew rapidly after the Perth Fashion Festival in 2002 and I found myself with 4-5 days a week worth of work based in my lounge room! I very soon realised I needed bigger premises and a more professional shop front if I was to make the transition from home business to small business it may not seem like a big step but there are many expensive decisions to be made and it is always a gamble I think it is this way because many home businesses are niches which may possibly not support the larger clientele required for shop based business. Typically home businesses do not have the resources to do market research programs!!

I have now leased a shop and sample room in Fremantle and am in the process of doing the shop fittings with a view to be ready for opening at the end of June/early July. I will both manufacture for my boutique (at front of sample rooms) and make to order. I have an ABN and registered company

name. I have two labels.

I am currently building up stock for the shop from home while the shop fitting is going on and its been highlighting the differences in manufacturing approach already. Manufacturing one-offs or small runs is a completely different process to manufacturing several hundred at a time

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something which I had anticipated but not really realised until it came to doing it. This may sound simple minded to the average person with manufacturing and business skills but for me its been a learning process

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something I think anyone looking from the outside might not realise is a huge hurdle to overcome.

I am also set to employ 2-3 people to assist in production (machinists/cutters). I currently employ a marketing consultant who is helping me to get orders.

I am lucky in that my wife has been a great financial support for me to follow my dream. I doubt I'd have been able to do it without that help. I am certainly encouraged by the facilities and expertise offered by the BEC and yourself. I'm absolutely certain that without such a facility many talented individuals would lose that dream and Australia would be a lesser place for the loss.

If I can answer any specific questions then please do ask.

Warm regards,

Stuart Anderson

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Designer/Sample Room  
Stuart Anderson Swimwear Couture

## **TERESA SEWELL – THE DANCING TORSO, PERTH WA**

To Whom It May Concern:

I call myself the reluctant businesswoman. I find myself in new territories all the time since I started my business. I'm actually not suited for a lot of things that you need to be to run a business. What I am good at is designing and inventing new products. I also find I'm the best one to market my goods I feel I live and breath what my products are and know just what needs to be said about them. Apparently less than 5% of all products patented reach the market shelf. Three of my products are now selling nationally.

Even though I still feel out of my depth running a business I draw strength and determination from the Belmont Business Enterprise Centre and even more so with the TCF Association. Even when I can't attend all their meetings I make sure I read all there well constructed and informative newsletters. I also find the [www.apparel2bcentral.com](http://www.apparel2bcentral.com) and textiles sites that the TCF put me in touch with links me to the whole clothing and textile industry in Australia. As well as leading design edge technology happening globally which has stimulated new ideas and products I would like to manufacture. All this through the TCF'S collective knowledge and capabilities.

The TCF is my first port of call in reaching out for what I need for my next steps I need to take in running a business. When I need to know about export their there. When I need to know which government body I need

they know. In actual fact they have been the perfect ambassadors for the Australian Government. With the limited funding they have, they have utilized it to the maximum. I found them more accessible and approachable than a government body. Yet they point the way to government infrastructure.

I keenly observe how they network through tafe and universities informing and collecting new designers and students that they are there. Ready to help, I've even heard Carol Hanlon ask them personally what do you need to succeed. Do you need premises, funding, and training or staff what can we do to make it happen. They remind you of the importance of bookkeeping, time management, legal procedures and protection for your designs and inventions. All of these things that they try to protect are for the benefit of Australia. This also enhances the induction of Australian training and education back into the system.

They are so aware of what is needed to support Australians in the Textile Clothing and Footwear Industries and why because they are part of it. They are the ones with the time and hands on approach that we the manufacturers and designers don't have. Yes we have some of those things to run our own businesses but we are not specifically set up to nurture and reach out to each other. The TCF are the ones who connect the dots so we can see the bigger picture.

So please support us by supporting the Australian TCF and the Belmont Business Enterprise Centre who supports the TCF.

Regards, Teresa Sewell  
Scarborough, WA

## **FELICITY DALES, BODY TORQUE, VICTORIA**

We are a small micro business of 10 employees and we use contractors sometimes. We have been operating for 17 years and I started at home working my way upto operating in a factory now for the past 12 years.

We specialise in Cycling Clothing and are now branching out into Netball and Basketball Gear as we do our own range of gear as well as alot of Custom Gear for Clubs, Shops, Corporates, Events.

We use Australian manufactured suppliers and the majority of our products are made in Australia. I have started importing to compete and to leverage our manufacturing.

It does make it difficult with the imported products as we compete against companies who have enormous volumes in Europe and America that we could never compete with supplying to Australia.

There are opportunities to export that we need to graduate to.

We are a Niche Market but it still is very competitive.

We do in house printing as well offering Sublimation Printing which gives us an edge and allows us to be flexible to the market demands.

Felicity Dales  
Body Torque

## **TERESA GIORGI, PERTH WA**

I started many years ago my business from home as a freelance designer

patternmaker and sample machinist. I decided to work from home because it was too difficult to find work in the factories as no one would give me work experience after I finished college.

I worked for many people in the industry and later I started my own club wear, selling to a few outlets around Perth. I did all my own patterns and manufacturing.

In the past couple of years I changed direction with my range and I now sell cocktail and evening wear nationally, under my name.

I still do the sampling, patterns and any small orders, I manufacture myself. I do have an assistant who only works 2 days a week, cash flow is slow I can't afford a fulltime assistant.

I work 7 days a week, my average hrs are around 60-80 hours a week.

My business has increased in the last 18 mths from 1 outlet in Perth to 30 nationally. I do have outworkers who do the bulk of my manufacturing.

regards Teresa.

## **ROBI SZALAY, PERTH WA**

"My name is Robi Szalay and I am a fashion jewellery designer and use my name as the name of my label. I have been operating my micro business from home since July 2000 after winning an award for a wire bodice I created for the Smales 2000 WA Fashion Design Awards.

I design made to order one-off pieces and also have a range which is stocked in approx 16 stores around Perth. I have had two small orders from overseas (Hong Kong & Saudi Arabia) after accessorising for Jennifer Gaye Designs at 2001 & 2002 Mercedes Australian Fashion Week in Sydney.

My latest accolade was winning two awards at 2002 WA Fashion Design Awards.

My biggest hurdle at the moment is having to do every aspect of the business myself which affects my production level ability. Any form of help in this area would be a huge assistance in my making a living from my creative expression".

kind regards

**Robi Szalay**

for couture fashion jewellery

## **MARINA TUTAHAVA, PERTH WA**

I would like to express my support for the TCFWA to continue the work it does to support those of us in the fashion industry, and all the work they do to promote it.

There is no other support for people directly related to the fashion industry and TCFWA has helped many designers to get a foot in the door including myself.

They also provide excellent networking opportunities and they make sure that we are well informed with their monthly updates. We need this valuable resource to continue. Yours Sincerely Marina Tutavaha

## **PAULA GAIZ, PERTH WA**

I am writing in support of the TCF Resource Centre of WA.

I cannot support the TCF enough for the encouragement they have given me over the past few years.

I have attended many workshops arranged by the centre and not to mention the number of times I have been of the phone to Carol and the team asking seemingly insignificant questions that to me, mean the difference between running my business the right or wrong way.

Also the opportunity put before me to launch my Debut Collection for Summer 2003l at TCF Friday on April 4th was one on the most valuable. It enabled me to use the experience for major marketing and exposure.

Perth is already disadvantaged by isolation, by taking away our TCF resource Centre the fashion industry in Perth you would be taking away one of the only advantages we have to connect us to the rest of the world.

### **3) TRAINING**

TCF WA and Belmont BEC Workshops cover topics that include

|                                                       |
|-------------------------------------------------------|
| Accessing Business Finance                            |
| Accounting issues for Small Business                  |
| Asian Business Etiquette                              |
| Australian Business Etiquette                         |
| Aussie Host Customer Service                          |
| Basics of E-Commerce                                  |
| Business Planning for Manufacturing                   |
| Cash Flow Today                                       |
| Customer Focus                                        |
| Debt Collection                                       |
| Developing opportunities with International Business  |
| E-Tailing & B2B E-Commerce Trading                    |
| Financial Management                                  |
| Future Business Opportunities for University Students |
| Getting the most from Trade Fairs & Expos             |
| Growing your Home Based Business                      |
| How to Start a New Business                           |
| How to Start a Fashion Label                          |
| Improving your Time Management                        |
| Innovation in Product Development                     |
| Intellectual Property                                 |
| Introduction to Exporting                             |
| Introduction to Business Planning                     |
| Legal Issues for Small Business                       |
| Managing Public Liability Risks                       |
| Marketing Today                                       |
| Media & PR Skills                                     |
| Pricing & Costing                                     |
| Staff Employment Laws & Contractors                   |
| Starting a Business in Australia for Migrants         |

|                                                |
|------------------------------------------------|
| Starting a Homebased Business for Muslim Women |
| Stress Management                              |
| Understanding Aboriginal Culture               |
| Understanding Credit Management                |
| Understanding International Trade & Cultures   |
| Understanding Risk Management                  |

For further information on each workshop topic visit  
[www.bbec.asn.au/workshops2003.html](http://www.bbec.asn.au/workshops2003.html)

#### **4) OUTWORKERS**

The ability to train and provide business education to outworkers is not addressed in the Position Paper and although much discussion was made during the hearings in regards displaced/retrrenched workers, no consideration is being made in regards this wonderful skill base being lost to the industry and in fact many of these skills are required by small business operators that are producing a niche design orientated product.

TCF WA considers there is a mismatch in regards outworkers and the correct product they could be producing. As many of these operators have not developed their marketing and business networking skills, it proves difficult for them to source and obtain work that is more fulfilling and price effective for their true creative short run skill base. As a result TCF WA has written a number of submissions to federal government departments over the years in regards support funding to assist with mentoring of home based workers, with an emphasis on multicultural operators with the provision of basic business management training in regards licences, taxation, accounting, marketing and networking etc. These submissions have not been successful but the TCF WA considers that this program could be introduced nationally. Overview of this submission is listed below for your perusal. (For your information: Belmont BEC also established MultiCultural Business Support Services providing specialised workshops in cross cultural communication and understanding cultural diversity)

Niche manufacturing priorities for micro small businesses are to locate multi-skilled flexible, talented producers and price is not the major driving factor. These retrrenched TCF operators should have the opportunity to go into their own micro business and market their skills to niche TCFL operators, or at least to have this opportunity as one option available.

The NEIS program as mentioned in the hearings the New Enterprise Incentive Scheme (NEIS) is a program that could be considered to assist talented multiskilled operators wishing to start a business. The program is administered by Centrelink, but unfortunately the applicant must be in receipt

of a \$ benefit, which means that if a partner of a retrenched worker is employed or the assets test is not met, then the retrenched worker is not eligible for the NEIS program.

Priority access to the NEIS program is a practical solution to some of the prospective retraining program options the commissioners are searching for. NEIS program information has been forward under separate cover and contact information is listed below.

Skilled TCFL contactors are an essential component of an active and thriving manufacturing sector. Manufacturing is a necessity for Australia, in particular niche manufacturing that caters for Australia's design & fashion industry that requires quick turnaround, customization and innovation in detail.

### **NEIS INFORMATION**

NEIS eligibility includes the requirement for all Participants to be in receipt of a minimum of one dollar of relevant Centrelink Benefits (Sole Parent, Disability, or Unemployment Benefits. The criteria when dealing with persons eg in receipt of redundancy payments is laid down by Centrelink, not NEIS Managing Agents. Detailed information on the program has already been sent to the Productivity Commission under separate cover.

For any further information on the NEIS program contact Centrelink 136268  
For further information on the day to day operations of how this program operates on the ground contact Julie Richardson from EMCS - 08 93770247  
DEWR post program monitoring data indicates that NEIS achieved positive outcomes of 85% (83% employed – DEWR Report May 2002)

### **SED**

Self Employment Development Program allows a person to concentrate on developing a business idea and still qualify to receive Newstart or Youth Allowance. Applicants must have been receiving Newstart or Youth Allowance for six months before being eligible. So this excludes displaced or retrenched workers with a working partner or that do not pass the assets test. Further information can be obtained from Centrelink 136 268

### **DISPLACED WORKER PROGRAMS**

There is an assistance package for displaced Timber Workers that is a WA state government program that will adjust to help fund business start-ups. There is a need for a business plan and a letter from the person assisting with the plan that states that the business will succeed. For further

information or contacts regarding this program contact Collin Jefferies,  
Warren Blackwood Business Enterprise Centre Phone 08 97712699

## **5) SUPPORT FOR STATE BASED TCF RESOURCE CENTRES**

As previously outlined TCF WA has received no funding support for over 2 years and requires structured support to enable it to continue with the assistance and projects provided to the state and Australian TCFL industry. Full detailed TCF WA background information is available in TCFWA March Submission to the Productivity Commission.

## **6) PREVIOUS TCF WA SUBMISSIONS TO SMALL BUSINESS ENTERPRISE CULTURE PROGRAM (SBECP)**

Belmont BEC / TCF WA have on two past occasions (2000 & 2002) submitted proposals to federal government small business support programs providing a part solution to assisting homebased outworkers with the lack of business skills and identifying needs, but on both occasions these were unsuccessful. A brief outline below clearly highlights the issues already identified by TCF WA as an area of need, which have also been identified by the Productivity Commission in their Position Paper. This project below could also be replicated in each State and Territory in Australia

### **Submission Overview**

## **Improving Small Business Growth in the WA Textile Clothing & Footwear Industry**

### **Project Overview**

The TCF Resource Centre (through the Belmont BEC) has developed a strategy involving several component parts of this project. Each strategy facilitates the other and operates in a loop framework to substantially improve the networking and practical skills of small business in Western Australia (focussing on TCF) i.e. Belmont is the catchment area but the broader TCF industry across Western Australia (including outside the Metropolitan region) are the primary client targets of the TCF Resource Centre (note: no formal funding is secured by the TCF Resource Centre at this stage, commitment and discussions with State Government have occurred for several years and some small preliminary funding was sustained in the first few years but the change to a Labour Government has not seen any funds forthcoming from Government or State Government departments).



The project has been structured to facilitate the skills development and mentoring services to small business owners and managers. As women traditionally constitute a higher component of owners and managers in WA TCF small business, all initiatives identified below, will be significantly used by women in WA small business. Again to reiterate, the TCF Resource Centre operates across all regional areas in Western Australia, and other regional BEC's refer clients to the TCF Resource Centre/Belmont BEC.

### **Skills Development/Mentoring Initiative**

The work of Business Enterprise Centres (BEC) is to facilitate business skills and opportunities for small business. Part of the component for the BEC's is to facilitate new clients coming to the organisation for assistance (whatever assistance that may be) therefore, time of the BEC's is utilised specifically with initial client discussions or potential clients. Often it is not possible, due to time constraints, for the Belmont BEC to satisfactorily identify a client's needs, growth opportunities and professionalism of business or TCF industry skills. Practical requirements of manufacturing textile clothing and footwear require a degree of expertise with manufacturing products and the typical assembly frameworks. A number of business owners/managers in the TCF industry have not traditionally come from the industry but have been attracted due to many and varied reasons. It is imperative that business owners/managers with capital, expertise and broader business skills be encouraged into the TCF industry. The project identified below intends to significantly contribute to the skills development of existing business owners and managers (again predominantly women). It is estimated by the TCF Resource Centre of WA that 75% of WA TCF businesses are owned and operated by women

#### **Initiative A: Provision of Mentoring Services**

In the process of identifying potential skill requirements, potential success, potential growth opportunities for small business, it has been identified that the BEC's cannot provide sufficient time to adequately address the issues. The BEC's role is to provide information, advisory support and access to networks. The role of the TCF Resource Centre is to facilitate this further through the provision of training and skills development. It has been identified that mentoring/coaching is a

particularly useful way of identifying needs of individual small businesses.

After initial contact with the TCF Resource Centre/Belmont BEC, it is proposed (through this project) that application can be made to the TCF Resource Centre for two (2) hours of free mentoring/business coaching by a professional TCF industry consultant. The project would seek to provide assistance to 120 'successful' companies. Up to three (3) consultants would be chosen by the TCF Resource Centre/Belmont BEC Executive Committee, based on a dedicated and detailed application and assessment process (more details of this process can be provided upon request).

The selected or nominated TCF business advisor would provide two (2) hours of direct discussions and would complete a brief checklist of skills and knowledge that the individual business owner possesses, or need to be further developed. The two (2) hour consultation would be strictly defined in terms of discussion topics/ideas for further assistance and reporting to the client. A detailed application process for potential clients would also need to be completed i.e. the simple fact of visiting the Belmont BEC would not be sufficient to warrant two (2) hours of free mentoring. There would be an application process developed which would be ratified and managed by the TCF Resource Centre/Belmont BEC Executive Committee.

The major items for proposed discussion between the TCF Resource Centre business mentor and the TCF business owner would include:

- ♥ Financial documentation, structures
- ♥ Forecasts and budgets (1-2 years, 5 years +)
- ♥ Cash flow/sources of small business finance
- ♥ Products / marketing / exports
- ♥ Future opportunities/growth potential

**The fact that many multi-cultural women also participate in the TCF industry in Western Australia would also clearly identify language and literacy skills of the owner/manager and could further identify initial deficiencies and therefore, further skills development required. The major theme of the use of direct mentoring is to significantly improve the total skills required by small business to facilitate growth and entry into new markets eg exports.**

In 1996 a Senate Inquiry into Out-workers in the Garment Industry, estimated in WA there were 15,000 home-based outworkers in WA.

Many of these are multi-cultural women who form their own business and promote services to WA designers and manufacturers. This project would target the larger business owners. New training workshops (identified in Initiative B), have been proposed for this category of the WA industry.

### **Initiative B: Business Development Workshops**

In July 2001 the WA Small Business Development Corporation (SBDC) provided a small grant (finishing in May 2002) which provided the opportunity of conducting a large number of workshops with a major focus on the TCF industry. Since May 2002 these have been sponsored by the Belmont BEC and lack of funding has certainly impacted directly on the number of workshops conducted from May to November 2002. Many workshops are still without appropriate workbooks. The pricing framework has been such that subsidised training needs to be provided to small business in an attempt to facilitate word-of-mouth marketing of the workshops provided. Provision at a subsidised rate for a further 18 months should eventually lead to full user-pays.

The benefit of the SBDC funding clearly identified the success and necessity of many of these workshops. [Note: most other BEC's do not conduct such a broad range of skills development training.]

SBDC have approved part funding towards a small series of workshops which will partly assist the delivery of the proposed 128 workshops to be scheduled over the next 18 months but further funding is required to successfully improve the business skills of this very neglected and unknown target market client.

The list below forms the Project's skills development workshops requiring funding:

#### **Workshop Topics : Conducted Too Date**

- ♥ Media and PR Skills
- ♥ Introduction of Exporting
- ♥ Pricing and Costing
- ♥ Financial Management
- ♥ Credit Management
- ♥ Basics of E-Commerce
- ♥ Intellectual Property

## ♥ Getting the Most from Trade Fairs and Expos

### Further Workshop Topics : Proposed

- ♥ Growing Your Home Sewing Business
- ♥ Staff Employment Laws and Contractors
- ♥ Improving Time Management
- ♥ Business Planning for Manufacturers
- ♥ Managing Public Liability Risks
- ♥ Legal Issues for Small Business
- ♥ Accounting Issues for Small Business
- ♥ E tailing and b2b ecommerce
- ♥ Forecasting consumer and market trends
- ♥ Understanding the +55 new market areas
- ♥ Expanding your arts & crafts business
- ♥ New Technologies and Intelligent textiles
- ♥ Innovation in Product Development

[Note: attached as (Appendix 5) is a full list of all training provided by the TCF Resource Centre/Belmont BEC]

Each workshop runs for approx 2 hours, is currently priced low (the majority under \$50) and are run at such flexible times as can further facilitate attendance i.e. attempts have been made to conduct night training and to utilise flexible arrangements for women with children and a small business. The ability to provide flexible times and varying times of delivery of all the workshops are attempted and monthly schedules are frequently marketed to clients in an effort to facilitate attendance.

Workshops are attempted to be run monthly and require a competent consultant able to provide the relevant training workshops i.e. various industry people with specific expertise are utilised to provide the workshops too date, resulting in substantial industry in-kind contributions i.e. there are no dollars to provide quality trainers which sometimes results in the inability to conduct workshops due to lack of training providers or talented/competent providers . Please note various other training programmes are provided but are subsidised by the SBDC in Western Australia these are not included in this project, these include :

- ♥ Marketing Today
- ♥ Cash Flow

(These are normally half day to full day sessions)

At this stage the need to keep the programmes of basic workshops to 2 hours is in an effort to keep prices down and at the same time provide the necessary information. Certainly there is opportunity to provide

longer training, however small business and particularly the TCF industry target of owners/managers, appreciate the introduction frameworks provided. Further referrals to other training providers for longer workshops or more detailed intensive programmes occur directly through the Belmont BEC following skill deficiency identification. The TCF Resource Centre/Belmont BEC has found success with this model, as the relatively short amount of training time makes attendance much easier and attendance rates much higher. The down side however is that the coordination time/marketing time/evaluation time is exactly the same for a two (2) hour session as it is for a half day or full day programme. Other costs are naturally reduced through a shorter programme i.e. no requirement to provide lunch etc (which is another reason for the inability to deliver long programmes).

### **Linkage between Mentoring and Training**

The linkage between direct one-on-one mentoring and skills development workshops is that the experienced consultant can identify various deficiencies that need to be satisfied by a business owner/manager. Direct knowledge of the training programmes provided by the TCF Resource Centre/Belmont BEC further facilitates direct intervention in improving the skills base of small business in Western Australia. The fact that all training is specific or targeted towards the TCF industry (while acknowledging that other participants value the programme just as much) has proven a huge success (figures relating to the amount of workshops provided total number of individuals participating will be provided in (Appendix 5).

## **6) SIP PROGRAM IS NOT ACCESSIBLE TO SMALL BUSINESS**

### **BUSINESS INNOVATION DEVELOPMENT PROGRAM (BIDS)**

TCF WA has also outlined that the SIP program excludes TCFL micro small business operators from assistance for their innovation as the threshold of \$200,000 expenditure is outside the financial capabilities of homebased, micro, small business. The Commissioners requested information on the BIDS Scheme, which TCF WA suggests as one alternative to support small business. This Program or one like it could be a joint project with states and territories to administer, but with support funds suggested to an amount of \$10,000 to assist towards innovation and R & D in TCFL industry.

## **BIDS INFORMATION SHEET**

The Western Australian Government, through the Small Business Development Corporation, has a program to assist new and existing businesses to commercialise an invention or innovative technology. Assistance is provided as follows:

### **Stage 1 Evaluation**

The provision of a free consultancy service to evaluate the new invention and if it is proven to be feasible, an action plan to commercialise the idea. The consultant is chosen and fully paid by the Small Business Development Corporation.

### **Stage 2 Financial Support**

Stage 2 financial support consists of a contribution towards the cost of engaging a private sector consultant to assist with the implementation of the action plan which can include:-

- the development of a business or strategic marketing plan;
- a contribution towards expenses incurred in obtaining intellectual property protection up to a maximum of \$2,500;
- the provision of design and engineering advice for product development; and
- the provision of information technology advice and planning.

The contribution in the metropolitan area is fifty cents for each dollar spent ; for WA Regional clients it is sixty five cents in the dollar spent and if you are located above the 26th parallel, the contribution is seventy five cents for each dollar spent to a maximum contribution of \$5,000.

Applicants must only use external consultants to undertake Stage 2 if they wish to receive a contribution under BIDS. Except for intellectual property protection, applicants must obtain at least two written quotations or proposals from consultants in the private sector. Applicants can choose the consultant and it need not be the lowest quote.

Payment for Stage 2 will only be made on completion of the service and will be on a reimbursement basis; ie the applicant must first pay the consultant in full and then be reimbursed by the Corporation.

### **Stage 3 Mentoring Support**

Optional support under the Small Business Development Corporation's Small Business Mentors Scheme may be available on completion of Stage 2 to assist with the ongoing development and commercialisation of the new invention or technology.

For further information on this program contact Bruce MacFarlane, Small Business Development Corporation 08 92200222

## **7) RECOMMENDATIONS TO THE PRODUCTIVITY COMMISSION by the TCF Resource Centre (WA)**

The TCFRC supports the Commission's position on "Option 4:" to extend and delay the tariff reductions due to the lack of awareness of many thousands of TCFL operators and the discrimination currently being shown to Australian TCFL home based, micro and small businesses.

**Don't discriminate against small firms, which otherwise "*don't*" meet assistance criteria**

*"changes are required to better facilitate the Government's objective of encouraging the TCF sector to become internationally competitive with lower levels of assistance and to provide a better balance between this objective and the interests of consumers, taxpayers and the wider community"*

(pp XL).

TCF WA Recommendations include:

- **An allocation of \$80, 000 - \$100, 000 per annum (length of SIP) per State/Territory for "approved" TCF Business Enterprise Centres.** (The administrative mechanisms are already in place at most State levels for BEC's), and performance measurement systems already exist). The existence of a National network would meet the Commission's objectives – "improve performance".
- **Small Business Investment Program (SBIP)**, based on the existing WA Small Business Development Corporation (SBDC) Business Innovation Development Scheme (BIDS). This 2 Stage Innovation Program allows for the R & D component of SIP but could be scaled down to a \$10,000 per firm with a 50% subsidy and also includes 20 hrs with a consultant, this is the practical hands on assistance that small business TCF innovators require to assist them in bringing a new innovative TCFL product to the marketplace.
- **Market Development Program SIP (MDP SIP)** based on the guidelines of the successful past DITR Market Development Program, the re-establishment of this market access program with a focus on assistance to TCFL small business to access new market areas and group TCFL national and international trade exhibitions
- **State based TCFL online databases be established**, including all relevant TCFL companies and stakeholders (eg outworkers), that can be linked nationally and maintained through the relevant state TCF Business Enterprise Centres

In summary, as outlined to the Commission hearings on June 5<sup>th</sup>, that the non profit community organisations TCF WA [www.tcfwa.com](http://www.tcfwa.com) and Belmont BEC [www.bbec.asn.au](http://www.bbec.asn.au) are about solutions and action. Our various websites are testimonials themselves and are jammed packed with TCFL businesses and projects that prove our knowledge and commitment to the ongoing success of the Australian TCFL homebased, micro, and small businesses.

To disregard possible solutions listed would be abandoning the Commission's objective.

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Other BBEC / TCFWA Projects include:  
Belmont Clothes Library  
[www.bbec.asn.au/clothes.html](http://www.bbec.asn.au/clothes.html)

MultiCultural Business Support Services  
[www.bbec.asn.au/multicultural.html](http://www.bbec.asn.au/multicultural.html)

designedge – TCF Australia uncovered  
[www.designedge.net.au](http://www.designedge.net.au)



