ZERO TO HERO

Traditionally businesses have grown over years, even generations — now they are growing quicker than ever, in a race to get as big as possible, as fast as possible.

Words VALERIE KHOO Illustrations NIKI FISHER/THE ILLUSTRATION ROOM

WELCOME TO BUSINESS in the 21st century, where success isn't only measured by the goals you reach and the market share you garner. Now you also get extra points if you can get there in the shortest possible time. In the past decade, we've seen companies grow to levels once considered unfathomable. Facebook has more than 2.2 billion monthly active users; Instagram hosts a billion. Even a niche app like Canva — which helps people create professional looking graphics — has 10 million users, an increase of seven million in three years. Businesses are growing at faster rates than any other time in history.

While there are many factors that have contributed to this culture of velocity, a key one would be the increasing evidence that the world is flat. Not topographically, but in terms of the borderless nature of doing business thanks to technology. Another major factor is the pressures from investors who will not loosen their purse strings unless founders can show they have a strategy to get big — and in a hurry.

VIRTUAL INFRASTRUCTURE

Futurist and technology expert Steve Sammartino says that, historically, businesses were far more constrained by technology and geography. "The ability to reach customers anywhere in a globally connected community is now instantaneous," says Sammartino. "Your first customer could be halfway across

“An audience can be found at light speed. We now live in an age of instant brands.”

the world — any new business now has access to global markets which facilitate rapid growth if they get the product offer right from the start.”

It’s this borderless world that has provided the platform for companies like Away to launch globally. Founded in 2015 by Jen Rubio and Steph Korey in New York, the business manufactures luggage and shipped its first suitcase in February 2016. Since then, it has sold more than 500,000 suitcases, is active in 40 countries and has expanded into other travel-related offerings. Traditionally, manufacturers would wholesale to retailers and rely on them to sell to consumers, without ever getting to know the buyer. Away has adopted a direct-to-consumer model, forging personal connections with its consumers.

Korey says: “Our direct-to-consumer model is one of our biggest competitive advantages. We’re able to understand what they want, and to be nimble enough to respond to feedback. We use it to inform what products we create next, or what other areas of the travel experience they’d like us to try to fix.”

THE DIGITAL ADVANTAGE

But it’s not just about being responsive to feedback. It’s also about leveraging the digital world to build a brand and develop fans. “We’re a digitally born company, so our online presence has been significant since day one,” says Korey. “Digital platforms like Instagram give us a way to tell those stories, and to empower our community to share their own. Our customers love to take photos of where they go with our cases and tag our brand on social media.”

Sammartino says that one of the most difficult and expensive things in business has always been to build a brand. “It’s why for many years the most valued brands also had the biggest advertising budgets — but no longer,” he says. “If the message resonates, an audience can be found at light speed. We now live in an age of instant brands. New brands can find fans on social media and use relatively cheap tools to give high production values to their visuals.”

It’s this approach that launched Australian activewear juggernaut P.E Nation, founded by Pip Edwards and Claire Tregoning. “We set up the P.E Nation Instagram before we had product,” Edwards says. “Before we even launched the brand, it all began with a strong visual identity that has now become our signature and brand voice.” Edwards understands the star power of influencers and celebrities, but she maintains that the business doesn’t pay for social media posts. “We want key tastemakers to be authentic in their love for P.E Nation,” she says. “We have been very lucky that the likes of the Kardashians, Elle Macpherson, Hailey Baldwin, Justin Bieber and Gigi Hadid have all chosen to wear our product.”

SPOT THE UNICORN

The holy grail for fast-growth companies is to become a unicorn — startup speak for a company valued at more than a billion dollars. And to get to that level, you need to go global. While the likes of Canva and Atlassian are held up as Aussie-born unicorns, one local company that has flown under the radar is Icon Group. Cathie Reid, along with her husband Stuart Giles, founded Australia’s Epic Pharmacy Group in July 1998. Within six months they had grown from zero employees to a team of more than 100, delivering services from their four pharmacy locations. That initial business eventually led to the formation of Icon Group, a provider of integrated cancer services.

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Even though their business is now 20 years old, it saw a period of stratospheric growth between 2014 and 2017, during which time staff numbers increased from 500 to 2500 through an aggressive strategy of acquisitions both locally and overseas.

"Fast growth inevitably presents cashflow challenges, and it's critical to know your numbers intimately; where every dollar is coming from, and where every dollar is going, not just for this week but as far out as you can project," says Reid. "Fast growth is all-consuming... you have to be prepared for your business to take priority over pretty much everything else in your life."

The group now employs more than 3000 people, and operates in Australia, New Zealand, Southeast Asia and China. Last year, following investment from Goldman Sachs, Queensland Investment Corporation and Pagoda Investments, it was valued at more than $1 billion. The holy grail had been reached.

PEOPLE PROBLEMS

While the right technology can help businesses scale fast, it can be challenging to ensure employees adjust to the growth when the small startup they joined becomes a massive company. Dale Beaumont is CEO of Business Blueprint, a training organisation for business owners. "It's important to ensure that everybody is on board with the goals you've set," says Beaumont. "If there are some people on board and others who are negative with the direction the company is taking, it can really add a sour vibe to the energy of the team. It can bring other people down. You need to find a way to get everyone involved, explain why growth is important and how it's going to benefit them as individuals and the company. Ideally, if there is some type of price or reward for that growth then you will get a much better buy-in."

PLEASURE AND PAIN

Even so, Sammartino warns fast growth can also be dangerous. "It's in fashion to get big quick and judge success based on a company's valuation and how much venture capital they raised rather than how profitable they are," he says, pointing the finger at founders keen to grow and sell quickly, sometimes planning their exit strategy before they've even got a viable product. "I think it's super-dangerous for startups and business generally. This approach means 99 out of 100 businesses will fail."

Consider Sophia Amoruso, who founded fashion brand Nasty Gal in 2006 when she was 22. By 2016 she'd made it on to *Forbes*' list of Richest Self-Made Women, only for her company to file for bankruptcy months later. Failure to thrive is a fate to which many businesses succumb. Fairfax statistics show in the last quarter of the 2017–18 financial year 250,242 entities were deregistered, an increase of 12.7 per cent on the previous year.

Sammartino concludes: "I think that running a valid small business which might make a few million in profit and employ local people will come back into fashion. But not before our business landscape is filled with scarred 'want-repreneurs' who end up as cautionary tales. Their experiences will teach the next generation to be wiser, to really build a business — instead of chasing rainbows and unicorns."