

Department of  
Communications  
Information Technology  
and the Arts

**BUILDING ON INFORMATION  
TECHNOLOGY STRENGTHS (BITS)  
INCUBATOR PROGRAM**

**Annual report 2000–2001**

**February 2002**

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ISBN 0 642 75053 X

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## TABLE OF CONTENTS

FOREWORD.....	4
2000–01 HIGHLIGHTS .....	5
INTRODUCTION .....	6
<i>Background</i> .....	6
<i>Role of the BITS Incubator Program</i> .....	6
<i>Reporting framework</i> .....	7
<i>Intelligent Island Program—incubator component</i> .....	7
2000–01 ACHIEVEMENTS .....	8
<i>Figure 1 – Source of Year 1 applications, by state</i> .....	8
<i>Figure 2 – Source of Year 1 incubatees, by state</i> .....	8
<i>Figure 3 – Year 1 incubatees by quarter</i> .....	9
<i>Figure 4 – Technology sectors of Year 1 incubatees</i> .....	10
<i>Observations from Year One</i> .....	11
OVERVIEW—INCUBATOR CENTRES .....	13
<i>Allen &amp; Buckeridge Seed Stage Ventures Pty Ltd – New South Wales and Victoria</i> .....	13
<i>Australian Distributed Incubator (ADI) Pty Ltd - Victoria</i> .....	15
<i>BlueFire Group Incubator Pty Ltd – New South Wales</i> .....	16
<i>Entrepreneurs in Residence (EiR) Pty Ltd – Western Australia</i> .....	17
<i>Epicorp Ltd – Australian Capital Territory</i> .....	18
<i>Information City Victoria (ICV) Pty Ltd - Victoria</i> .....	20
<i>inQbator - Queensland</i> .....	21
<i>ITem3 Pty Ltd – New South Wales</i> .....	22
<i>Original IT Investments Pty Ltd – Northern Territory</i> .....	23
<i>Playford Capital Pty Ltd – South Australia</i> .....	24
<i>Intellinc Pty Ltd - Tasmania</i> .....	25
INCUBATEE CASE STUDIES .....	26
<i>FUSE Holdings Pty Ltd (Incubator: ICV)</i> .....	26
<i>GecOz Pty Ltd (Incubator: Original IT)</i> .....	27
<i>MYstaff Pty Ltd (Incubator: ITem3)</i> .....	28
<i>Nexsys Consulting Pty Ltd (Incubator: ADI)</i> .....	29
<i>SandwichDirect.com (Incubator: BlueFire)</i> .....	31
<i>SeaChange Technology (Incubator: Playford Capital Pty Ltd)</i> .....	33
<i>Softgame International Pty Limited (Incubator: A&amp;BSSV)</i> .....	34
<i>Supersoftware (International) Pty Ltd (Incubator: EiR)</i> .....	36
<i>THIRI Pty Ltd (Incubator: Epicorp)</i> .....	37
<i>Whilemobile.com Pty Ltd (Incubator: InQbator)</i> .....	39
APPENDICES .....	41
APPENDIX A - INCUBATOR CONTACT DETAILS .....	41
APPENDIX B - BITS INCUBATOR PROGRAM ADVISORY PANEL.....	43

## FOREWORD

It is often difficult for information and communications technology (ICT) start-ups to assemble all the resources they need, and to turn their technology and ideas into successful, globally competitive businesses. However, Australian and international experience shows that ICT start-ups can experience strong growth if they capitalise on the brief ‘windows of opportunity’ which characterise these industries.

Operating within an incubator environment can equip them to grow and achieve their full potential more quickly and efficiently. The Commonwealth Government’s \$78 million Building on Information Technology Strengths (BITS) Incubator Program provides the tools and resources that new ICT firms need to take advantage of these ‘windows of opportunity’.

The program is a unique Australian solution to the problems faced by technology companies in their early stages, and aims to nurture the formation and early growth of new ICT businesses by providing funding for the creation of incubator centres. The incubator program has now established ten ICT centres nationwide, using a range of incubator models.

The incubator centres help new and aspiring entrepreneurs turn their technology and ideas into successful, globally competitive businesses that create jobs across the economy. They can provide seed capital as well as expert financial, management, legal and technical advice to new ICT firms. The incubators also provide a setting that allows for the exchange of ideas, people and resources.

The incubators have made good progress since the start of the program, despite significant changes in the ICT industry environment. In the first year of the program, nearly 70 start-ups were accepted for incubation. The incubators will need to continue to be determined and resourceful in raising early stage venture capital—which will be assisted by further reforms of the venture capital regime currently under way.

I’m confident that Australian ICT start-ups, assisted by the BITS incubators, will continue to thrive in this ever-changing environment.

RICHARD ALSTON  
Minister for Communications,  
Information Technology and the Arts

## 2000–01 HIGHLIGHTS

- Ten mainland Incubator Centres have now been established, with at least one in each State and Territory.
- Achievements in the first year of the BITS Incubator program include:
  - 1401 applications were received by the ten incubator centres;
  - 68 companies were accepted for incubation; and
  - four companies graduated.
- After declining in the second quarter, the number of new incubatees rose in each of the third and the fourth quarters.
- The 68 incubatees are spread across all mainland States and Territories, with the exception of South Australia, where Playford Capital did not commence operations until 10 April 2001. The incubatees embrace a diverse cross section of the ICT industry including software R&D, software applications for consumer goods, human resources application software and eCommerce.
- All incubators have held seminars and workshops over the first year of the program. The objectives of these presentations has been to:
  - provide entrepreneurs with the opportunity to equip themselves for the business world and to meet potential investors,
  - impart practical knowledge from skilled practitioners across various disciplines and to establish useful business contacts,
  - host presentations by incubatees to venture capital firms, and
  - market the BITS program and the incubator's participation to prospective incubatee firms and tertiary institutions in regional areas.
- The incubators have generated \$13.2 million in outside capital in the first year of operations.

## **INTRODUCTION**

### **Background**

On 20 June 1999, the Commonwealth Government announced a \$158 million commitment over five years to establish the Building on Information Technology Strengths (BITS) Program.

The BITS program aims to build the strength and competitiveness of Australia's information industries sector by establishing stronger commercialisation links with research and development (R&D) organisations and clusters of innovative information and communications technology (ICT) businesses. In particular, the program aims to increase the rate of new small-to-medium sized enterprise (SME) formation in the Australian ICT industry sector and develop links and networks between participants.

A core element of the program was the provision of \$78 million over the five years 1999–00 to 2003–04 to fund the BITS Incubator Program, which will develop incubator centres in each mainland state and territory. The other components of the BITS program are the Advanced Networks Program (\$40 million) and the Intelligent Island Program (\$40 million).

The successful applicants for funding under the Incubator Program were announced on 10 April 2000 following a rigorous selection process including advice from an independent advisory panel. A total of ten mainland incubators (Appendix A) have now been established—with at least one in each State and Territory.

The advisory panel (Appendix B), chaired by Mr Norman McCann, brought to the selection process an expert knowledge of the local and international information industries and practical experience in growing Australian companies.

The panel provided independent advice to the Commonwealth Department of Communications, Information Technology and the Arts on shortlisted applications for funding, prior to final Ministerial funding decisions being made.

### **Role of the BITS Incubator Program**

The BITS Incubator Program aims to improve the rate of commercialisation of information and communications technology ideas, research and development by assisting incubators increase the success rate of new business formation in the Australian ICT industries sector. The funding allows incubator managers to assist incubatees at a critical stage of their development when they may not be well served by venture capital markets.

The incubators are designed to incorporate a structured business growth program. This includes access to various types of early stage finance, making use of an experienced Board, management team and advisory panels, providing business coaching and mentoring, and providing firms with channels to markets, including through national and international partnerships. Each of the Incubators now has in place a structured business program which is customised to the individual needs of its ICT start-up companies.

The BITS Incubator Program encompasses a diverse range of incubation models, and the types of assistance offered varies with the particular needs of the incubatees. Assistance can include face-to-face incubation, virtual incubator facilities, in-house incubation. It can utilise the skills and facilities of the consortium partners, as well as being able to provide a network of professional service providers.

Incubators can provide up to \$450 000 in assistance to individual start-up companies in the crucial early years of their development. This assistance can be through the provision of services or seed funding or a combination of both.

While there is significant variation in the business models being adopted by the incubators, all models allow an equity interest to be taken by the incubator in the firms they are incubating. This equity is capped at 45 per cent—with a preferred level below 35 per cent.

### **Reporting framework**

The incubator must provide quarterly, annual and final reports to the Commonwealth Government. Each report must include progress and performance against the milestones, performance indicators and objectives specified in the Schedule to the Grant Deed.

The Incubator's Annual Report must be audited by an independent auditor in accordance with the Corporations Law and Australian Auditing Standards.

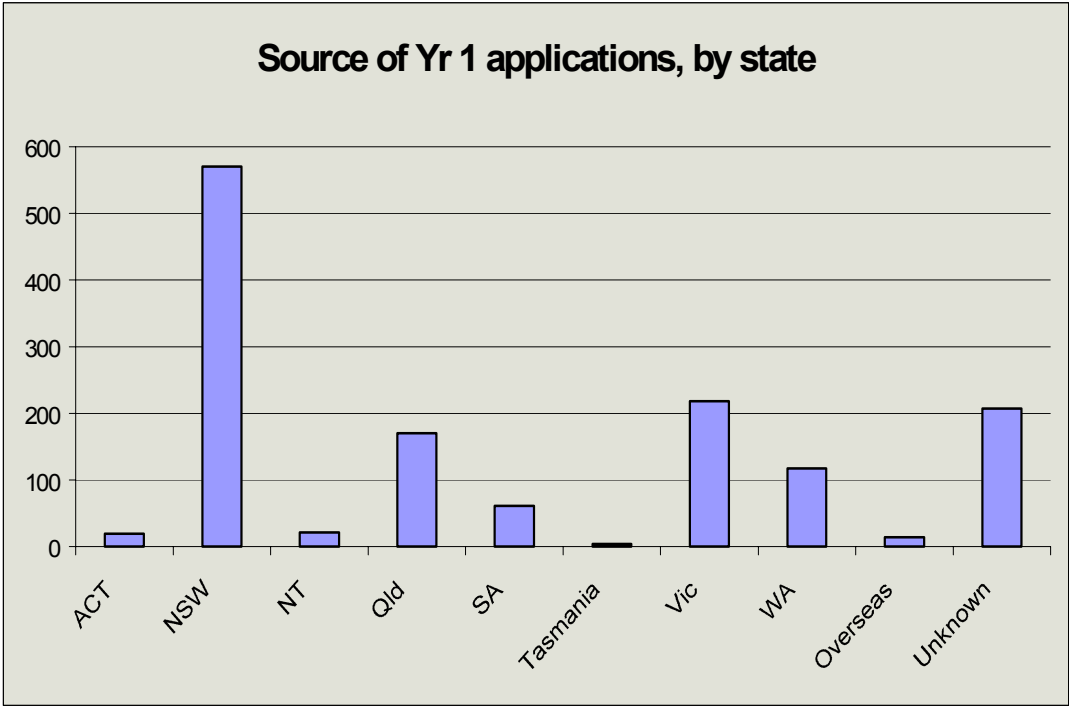
### **Intelligent Island Program—incubator component**

A separate incubator, Intellinc Pty Ltd, has been established in Tasmania as part of the Intelligent Island Program. A backgrounder on Intellinc, which commenced operations on 29 May 2001, is provided under the *Overview—incubator centres* section of this report. The Intelligent Island program, (a joint \$40 million initiative of the Commonwealth and Tasmanian Governments) is funded from the sale of the second tranche of Telstra. The funding encompasses a range of new projects as well as building on existing ICT industry, Commonwealth and Tasmanian Government initiatives and the research capacity of Tasmania's education sector.

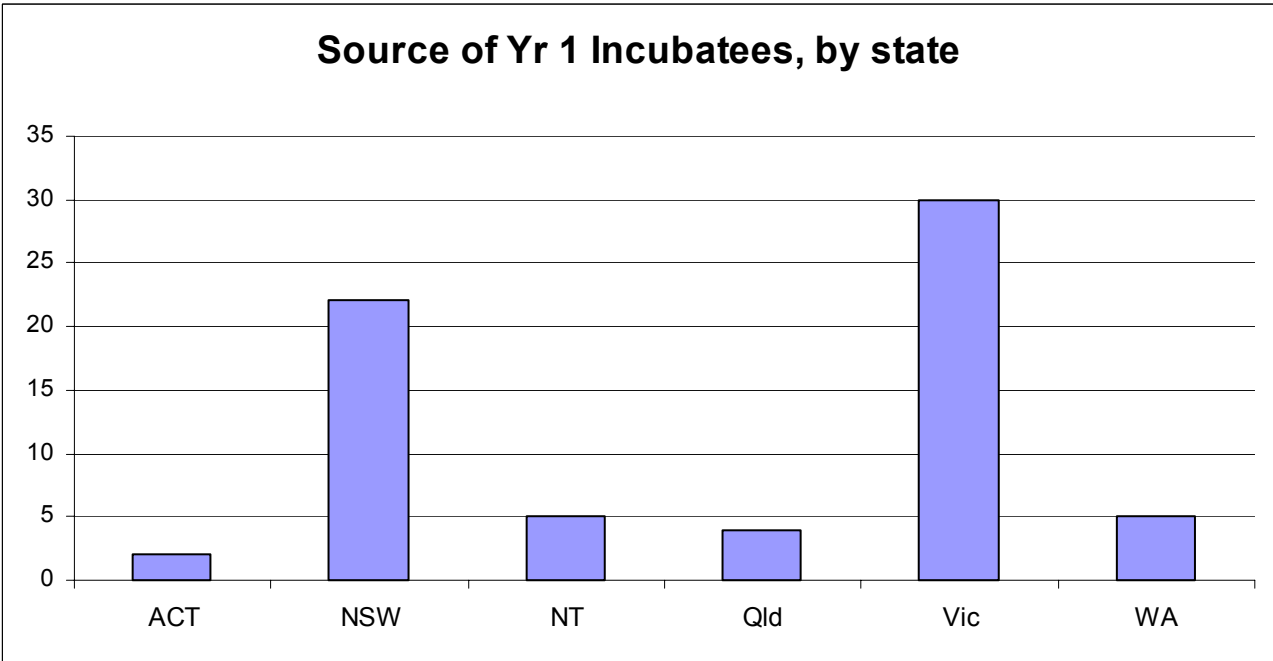
**2000-01 ACHIEVEMENTS**

In the first year of the BITS Program to 30 June 2001, 68 companies were accepted for incubation from 1401 applications, a conversion rate of five per cent. While the major source of applications was New South Wales with over 500, 30 of the incubatee companies accepted into the program are based in Victoria.

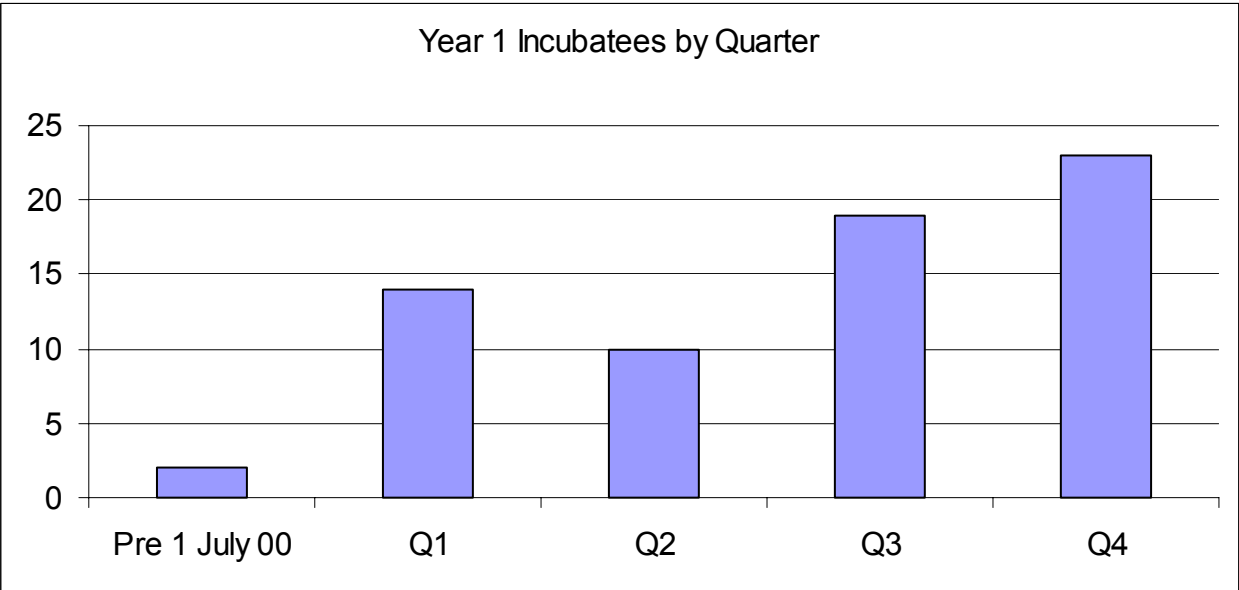
**Figure 1 – Source of Year 1 applications, by state**



**Figure 2 – Source of Year 1 incubatees, by state**



**Figure 3 – Year 1 incubatees by quarter**



In the first quarter, the high level of incubatees reflected latent demand in the market. The level then dropped as initial deal flow tapered off, but recovered in the third quarter, with the June quarter seeing the highest number of new incubatees since the inception of the program.

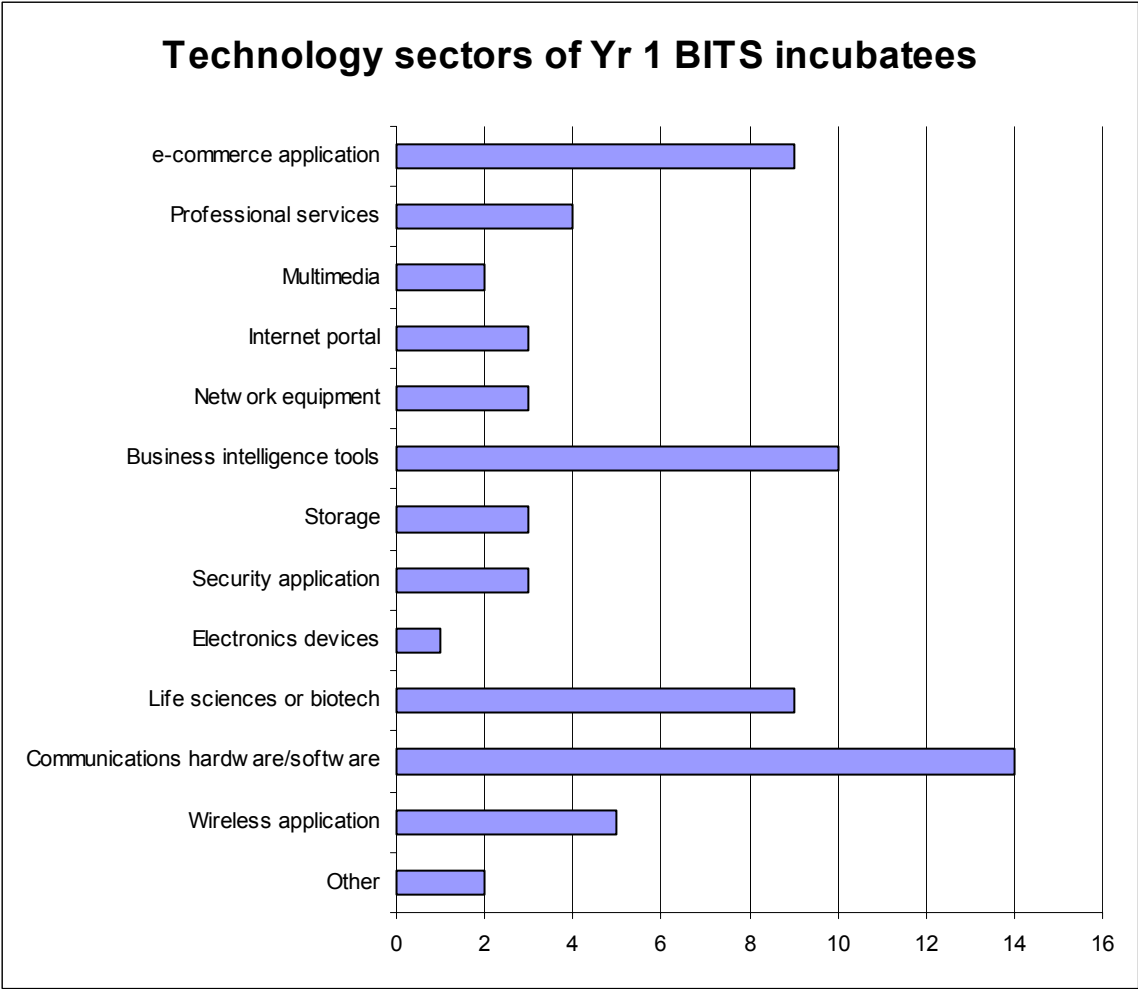
The rate of acceptance by incubators varied according to different models and processes. Although some incubators did not accept any new incubatees in particular quarters, the overall result for the first year of operation was satisfactory. The overriding objective is for the incubators to make investment decisions along sound commercial lines while still meeting their performance milestones.

**Market segmentation—incubatees**

The 68 incubatees are operating in a diverse range of fields, from paediatric medicine management software to landmine detection technology. While a large proportion of the incubatees are undertaking ‘software development’, they are servicing a wide range of industry sectors from food to medicine, and providing technological advances in fields from elite sports coaching to salinity mapping.

Figure 4 below shows the range of sectors in which incubatees are developing their businesses.

**Figure 4 – Technology sectors of Year 1 incubatees**



**External funding**

While incubators generally found the sourcing of seed capital and funding for co-investment in incubatees difficult, a number have been successful in this area. The more cautious investor outlook has also made it more difficult for incubators to attract funding into their own operations. Notwithstanding these difficulties, the first year of operation has seen \$13.2 million generated in private funding, mostly in the form of private co-investment into incubatees, but with some of this going directly into the incubators. This compares with \$23.3 million of BITS funds allocated for the first year of operations.

A key factor was the dot com crash of April 2000. The capital markets in which the incubators are now operating are considerably different to those in operation when the BITS Incubator Program was initially launched.

**Equity levels**

All incubators have reported taking an equity position in their incubatee companies from five to 40 per cent, with the average equity stake of 10.35 per cent. The variation in equity is the result of negotiations between the incubator, the incubatee and any other private investors providing seed capital.

## **Observations from Year One**

The provision of funding for a series of ICT-specific incubators is something that has not previously been done in Australia. The approach taken to allow different models of incubation to operate under the program will allow valuable observations to be made about different aspects of incubation across the life of the program. The observations can be fed back into the development of future policy for this, and other technology sectors.

The range of incubation models is already providing useful experience for policy development in both the ICT and other sectors. Key features of the first year of operation follow.

- **External funding**

The incubators need to attract external capital into either their own operations or the incubatees themselves if they are to sustain operations beyond the life of the BITS funds. This is integral to the success of the program and was recognised at the outset.

However, the BITS Incubator Program is operating in a more difficult environment for attracting external capital than existed at the time the program was designed. The bursting of the dot com bubble in April 2000 has meant venture capital is more difficult to secure, and is more likely to be directed towards bigger projects, rather than start-ups. There have also been media reports of funds re-investing in existing portfolio companies to ensure that their investments survive the current downturn.

Securing external funding directly for the incubators has proven to be a very challenging task with most incubators reporting difficulties achieving their planned levels of external investments. However, the incubators have had significant success in attracting external funds for co-investment into individual start-up opportunities as they arise. To date, \$12 million in private funding has been directly invested into incubatees.

- **Levels of investment in incubatees**

Incubators have reported that with the more difficult outlook for securing early stage funding, the time and money required to get companies to an 'investor ready' stage is greater than their original business models envisaged. This in turn pushes out the return on the investment loop generated by successful exits, and increases the need to raise further funds to service the incubatee base.

As a result of these pressures, some incubators have adjusted their investment structure to bring privately sourced co-investment into incubatees at the point of entry into the incubator program.

- **Incubators as part of the innovation network**

Aside from the 68 companies accepted into the program in the first year of operation, incubators have also reported that a significant proportion of their time and effort is provided to companies that undertake the selection process but ultimately are not successful. The stringent selection and due diligence processes in place across the program are leading to

detailed and, at times, specialised feedback being provided to a large number of applicants. This feedback is proving valuable to unsuccessful applicants as it helps them focus on elements of their operations or strategies that need more detailed consideration.

There is also a significant amount of collaboration being undertaken between incubators with some unsuccessful applicants being referred on to, and ultimately accepted by, other incubators.

- **Trend to off-site incubation**

Some of the incubators have found that not as many incubatees are choosing to be based at the incubators' premises as was originally envisaged. One incubator has had only one of its incubatees move into its physical facility and it expects that over the course of the program only 50 per cent will co-locate with the incubator. The benefits of off-site incubation for the incubatee include avoiding relocation costs and the maintenance of any existing networks established before entering the program.

There is also significant diversity in the geographical origin of companies approaching some incubators. A&BSSV, ADI and *inQbator* are attracting a significant proportion of their applications from outside their state.

## **OVERVIEW—INCUBATOR CENTRES**

With the exception of Original IT Investments (27 September 2000) and Playford Capital (10 April 2001), all of the Incubators signed Grant Deeds with the Commonwealth prior to 1 July 2000.

During the year, the ten Incubator Centres were provided with \$24.3 million in funding. Outlines are provided on each of the Incubators follow.

### **Allen & Buckeridge Seed Stage Ventures Pty Ltd – New South Wales and Victoria**

**(BITS Incubator Program funding: \$5 million)**

#### **Consortium members:**

- Allen & Buckeridge Pty Ltd

#### **Operations**

With offices in Sydney, Melbourne and Brisbane, A&B Seed Stage Ventures offers start-ups a source of seed capital and strong professional support services. The Grant Deed was signed by ePark. However, during the year the incubator consolidated its operations and strengthened its ties with its sole consortium member, Allen & Buckeridge. As a result, on 1 July 2001 ePark changed its name to Allen & Buckeridge Seed Stage Ventures. Its focus is on helping springboard Australian ICT companies into global markets.

In addition to capital, the A&B Seed Stage Ventures team provides incubatee companies with a range of mission critical services, such as:

- business model development and refinement;
- capital raising;
- introductions to potential customers, suppliers, alliance partners;
- senior team recruiting and team building; and
- active governance.

A&B Seed Stage Ventures has been able to draw on the expertise and resources of its parent firm, Allen & Buckeridge, one of Australia's leading venture capital groups. They also provide links to specialist services needed by start-ups, such as lawyers, marketing specialists, executive recruiters and software developers.

A&B Seed Stage Ventures targets a range of business sectors including:

- wireless;
- web services;
- voice and speech recognition;
- photonics;
- infrastructure;

- middleware; and
- mCommerce.

A&B Seed Stage Venture provides seed-funding and business development services as well as providing entrepreneur training workshops through its Acceler8 best practices business building program. Its aim is to filter out the best ICT ideas in Australia and develop them to become globally competitive ebusinesses.

### Activity levels

	<b>2000-01</b>
Number of applications	433
Number of incubatees	7
Number of graduates	1
Early exits	3

#### Definitions

**Application:** Application documentation has been provided by a start-up ICT business, evaluation has been completed or is underway. A successful applicant becomes an *Incubatee*.

**Incubatee:** Start-up ICT business approved by Incubator board for investment/provision of services under the program.

**Graduate:** Incubatee that has met or exceeded agreed milestones within the funding period agreed with the incubator.

**Early exits:** Incubator services have been withdrawn from incubatee due to failure to meet agreed milestones.

## **Australian Distributed Incubator (ADI) Pty Ltd - Victoria**

**(BITS Incubator Program funding: \$7 million)**

### **Consortium members:**

- EMERGE CMC Ltd
- Ernst & Young
- Babcock & Brown (via its subsidiary AIDC Ltd)
- Greyhair.com Pty Ltd

### **Operations**

With offices in Melbourne and Sydney, ADI is available to applicants from all mainland states.

ADI has incubatee companies in New South Wales, Victoria and Queensland. The incubator assists Australian ICT start-ups to rapidly develop the commercial skills and business systems necessary to attract private investors, strategic partners and customers. It does this by delivering a mix of investment and business readiness programs. These programs are structured and feature services including seed funding, mentoring, consulting and other business advisory services.

ADI customises its program to each start-up and utilises the networks, resources, and offices of consortium partners, the offices and facilities of physical incubators and the offices of the start-ups, in combination with online workflow and messaging tools and access to knowledge bases.

Incubatees may choose to receive face-to-face consulting and mentoring sessions at their own premises or at any of the physical offices maintained by the consortium partners.

### **Activity levels**

	<b>2000–01</b>
Number of applications	252
Number of incubatees	28
Number of graduates	2
Early exits	10

**BlueFire Group Incubator Pty Ltd – New South Wales**

**(BITS Incubator Program funding: \$6 million)**

**Consortium members:**

- BlueFire Group Pty Ltd
- BlueFire Innovation Pty Ltd

**Operations**

The BlueFire Group incubator has strategic alliances with BlueFire Corporation, Blake Dawson Waldron and Sun Microsystems.

The Artarmon-based BlueFire Group Incubator Pty Ltd is a fully integrated technology incubator, and provides a range of services, including:

- technology including hardware, network integration, connectivity, web development, web design and Internet marketing;
- professional services, including legal services, accounting, recruitment, marketing and public relations;
- access to entrepreneurial and managerial talent; and
- access to immediate funding and assistance in subsequent capital raisings.

The BlueFire incubator has developed a number of relationships with service providers to allow new businesses to maximise their chances of success.

The BlueFire Corporation, the sister company of the BlueFire Group Incubator has been providing services to growing companies and entrepreneurs for over four years. BlueFire’s network encompasses Australasia and the United States. BlueFire Corporation has a successful and growing business in the network integration and web design market space. It has 30–40 employees and is SME focussed. BlueFire Group Incubator Pty Ltd brings a capital and large corporate alliances dimension to the BlueFire organisation.

**Activity levels**

	<b>2000–01</b>
Number of applications	223
Number of incubatees	3
Number of graduates	1
Early exits	2

## **Entrepreneurs in Residence (EiR) Pty Ltd – Western Australia**

**(BITS Incubator Program funding: \$10 million)**

### **Consortium Members:**

- Imago Multimedia Centre Ltd;
- Zernike (Australia) Pty Ltd; and
- Software Engineering Australia (WA) Ltd.

### **Operations**

EiR (originally Perth Ideas Centre of Technology), established in June 2000, is an ICT incubator which provides seed capital, management expertise, accommodation and mentoring to ICT start-up companies.

Financing can range from \$50 000 to \$400 000 over a two-year period. Co-investment increases the level of investment to a maximum of \$900 000 if required. EiR has close relations with a number of other investors who can provide co-funding in selected circumstances.

Through its own resources and a network of service providers, EiR seeks to attach to the incubator companies experienced professional individuals and organisations to mentor, coach and support in order to accelerate their development. These value-added services include financing; technical and legal advice; and coaching and support from the incubator Network.

The incubator also offers companies housing at Technology Precinct, Bentley. The facilities are situated in the major clusters of ICT companies in Western Australia, offer access to shared and scarce facilities of key member organisations, and are close to technology universities and ICT research groups. For those incubator companies in the new media area, EiR will also to seek to co-locate a new residence within a digital media precinct under consideration by State Government.

### **Activity levels**

	<b>2000-01</b>
Number of applications	92
Number of incubatees	5
Number of graduates	-
Early exits	-

## **Epicorp Ltd – Australian Capital Territory**

**(BITS Incubator Program funding: \$8 million)**

### **Consortium members:**

- Anutech Pty Ltd
- CSIRO
- University of Canberra
- Australian National University

### **Operations**

Epicorp Limited (originally Capital Region Technology Business Centre), a not-for-profit company, is the Australian Capital Region's technology incubator. Epicorp is supported by an \$8 million grant under the BITS Incubator Program, a supporting grant from the ACT Government, and the provision of a building by CSIRO.

Epicorp is co-located with CSIRO and within close proximity of the other member organisations.

Epicorp is well on track to achieving its objectives of:

- creating a strong high technology commercialisation system for the Australian Capital Region, under common ownership and management, involving the Region's research institutions and supported by Government and the private sector;
- drawing together the relevant resources and players in the Region;
- fostering and supporting the commercialisation of technology and knowledge from the Australian National University, CSIRO, the University of Canberra and industry within the broader Australian Capital Region community; and
- complementing other commercialisation initiatives.

Epicorp is delivering assistance to new-start and spin-off businesses in two ways through:

- the implementation of a tailored Incubator Program designed to assist businesses to commercialise IP; and
- the provision of seed funding to suitable Epicorp incubator businesses.

Epicorp has incorporated a structured business growth program, including access to various types of early stage finance, use of an experienced Board, management team and advisory panels, provision of business coaching and mentoring, and providing firms with channels to product markets, including through national and international partnerships. The facility also provides specialised accommodation services and high-bandwidth Internet access.

### Activity levels

	<b>2000-01</b>
Number of applications	7
Number of incubatees	2
Number of graduates	-
Early exits	-

**Information City Victoria (ICV) Pty Ltd - Victoria**

**(BITS Incubator Program funding: \$8 million)**

**Consortium members:**

- Joint Technology Partners
- Melbourne IT
- Photonics RedCentre (a spin off from Australian Photonics)
- University of Ballarat—Greenhill Enterprise Centre
- Ericsson Australia Pty Ltd

**Operations**

ICV is a network of ICT incubators with three roles:

- Information City Melbourne—is the flagship of the network.
- Information City RedCentre—specialises in photonics and communications.
- Information City Ballarat (Greenhill Enterprise Centre)—delivers a regional focus.

ICV was fully operational by December 2000, and so far ten ICT start-up companies have taken positions in the incubator program. These companies have diverse industry backgrounds and are at different stages of business development. ICV has a strong private sector involvement, including Sun Microsystems, Ericsson, Melbourne IT and ES Group Ventures Direct Equity Investments. These partnership networks ensure a high level of advice and expertise across a range of areas supporting the development of start-ups in the ICT industry.

Start-ups selected into the ICV managed physical incubation environment are focussed on:

- software development,
- e-commerce applications, and
- photonics.

ES Group Ventures is the primary funding provider for ICV start-up companies. As well, a range of venture capital and business angels also support early stage ventures that enter the ICV network. Work is ongoing to expand the scope of early stage investors within the ICV network.

**Activity levels**

	<b>2000–01</b>
Number of applications	30
Number of incubatees	10
Number of graduates	1
Early exits	-

**inQbator - Queensland**

**(BITS Incubator Program funding: \$9.5 million)**

Timsco Pty Ltd is the owner and operator of *inQbator*.

**Operations**

*InQbator* is not part of a structured consortium, but maintains formal and informal relationships with business mentors, angel investors, venture capital firms, professional service firms, and universities and research organisations, to source deal-flow and serve the needs of start-up ventures.

*inQbator's* program of support for start-ups is designed to generate high-growth companies capable of achieving exceptional valuations in the market. It focuses on bringing venture capital providers and strategic business partners to start-ups early in their development, to enhance their prospects for growth and success.

The program and head office of *inQbator* are based in the Varsity Lakes technology precinct at Robina on the Gold Coast, where high performance IT infrastructure and other resources can be provided to start-ups. *inQbator* also has scope to support start-up companies in their own premises or to host them in facilities operated by other incubators with which it has strategic alliances elsewhere in Australia (and, eventually, overseas).

Operational and management support, mentoring, business development, relationship building and capital raising services are provided on a day-to-day basis by the professional staff of *inQbator* and the directors of Timsco.

A full range of professional services, such as accounting, legal, IP management, recruitment, and marketing are provided by external professional service firms that are conversant with the needs of technology start-ups, and offer discounts on fees in return for the opportunity to develop long-term relationships with future high-growth companies.

Start-up companies entering *inQbator* provide equity in return for the range of services and facilities provided to them, with the only costs being their rental and a low program overheads fee.

As a result, financial returns to the owners of *inQbator* depend on the value created in their equity stakes, and therefore on the success achieved by the start-up companies. This means that Timsco shares the same incentive structure as the start-ups, and has the same imperative to perform.

**Activity levels**

	<b>2000-01</b>
Number of applications	151
Number of incubatees	3
Number of graduates	-
Early exits	-

**ITem3 Pty Ltd – New South Wales**

**(BITS Incubator Program funding: \$7.37 million)**

**Consortium members:**

- Iplus Development Pty Ltd
- Lateral Concepts International Pty Ltd
- Software Engineering Australia (NSW) Ltd

**Operations**

Located in St Leonards, New South Wales, ITem3 (originally IT Catalyst) incubator works with start-ups in the ICT industry and with non-ICT firms that are starting to use ICT as a major business enabler. ITem3 has a rigorous pre-incubation screening and selection system designed to match the client firm with the incubation process.

Physical and virtual incubation facilities/systems are provided. Where commercially viable, incubatees are located in their own premises.

During incubation, ITem3 delivers a comprehensive, tailored mix of services and capital to its start-ups. ITem3 takes a strong hands-on management role that is underpinned by its experience and understanding of the business development process for high-tech start-up firms. It graduates its client firms within a 12–24 month timeframe through a pre-determined process that may include securing follow on investment, trade sale or sufficient internal sales generation.

The ITem3 management team has experience in the field of technology commercialisation and development of start-up businesses. They are supported by a wide range of professionals in the areas of technology, business development, marketing, finance, intellectual property and the law.

ITem3 encourages applications from candidates throughout New South Wales and has developed methods for delivery of its incubation processes to regional New South Wales without the requirement for relocation to Sydney.

**Activity levels**

	<b>2000–01</b>
Number of applicants	145
Number of incubatees	5
Number of graduates	-
Early exits	-

**Original IT Investments Pty Ltd – Northern Territory**

**(BITS Incubator Program funding: \$5 million)**

**Consortium members**

- Nexus Energy Limited (formerly eNTITY1 Limited)
- Darwin International Textile Pty Ltd
- Northern Territory University

**Operations**

With its offices in the Darwin Central Business District, Original IT Investments provides start-up companies with facilities near major business partners and potential venture capitalists.

The company was first incorporated as ITCINT Pty Ltd in June 2000. The incubator was renamed Original IT Investments Pty Ltd (Original IT) in June 2001 to better reflect the company’s activities.

Original IT’s overall approach to commercialising ICT ideas is to develop and graduate start-up firms by providing a range of services (accounting, IT support, legal, financial, management, marketing and R&D) and seed funding. Other support services offered by Original IT include office accommodation, office services, mentoring of start up management, communications and promotions services.

The incubator’s target is to admit about six start-up companies each year, with at least half of these companies becoming commercially successful enterprises. Original IT is currently supporting five start-up companies.

Original IT has strong business relationships with the following institutions:

- KMPG Chartered Accountants;
- Spamer Lawyer;
- DMR Consulting;
- Deloitte Touche Tohmatsu;
- Westpac Banking Corporation;
- Clayton Utz;
- Ernst & Young;
- Hallmark Computer International;
- IT Solutions NT;
- Hewlett Packard Australia Pty Ltd;
- Northern Territory University;
- Corporate Express;
- Treasury Funds Management; and
- Tsinghua University.

**Activity levels**

	<b>2000–01</b>
Number of applications	21
Number of incubatees	5
Number of graduates	-
Early exits	-

**Playford Capital Pty Ltd – South Australia**

**(BITS Incubator Program funding: \$10 million)**

**Consortium Members:**

- The Playford Centre
- Ngapartji Pty Ltd

**Operations**

The Playford Centre was established by the South Australian Government and EDS in 1997 and has invested over \$6 million in 24 businesses.

Playford Capital Pty Ltd, a subsidiary of the Playford Centre, commenced business as SA. BITS on 10 April 2001. In September 2001, the name was changed to Playford Capital, to better leverage the Playford Centre brand. Still owned jointly by Playford Centre and Ngapartji, Playford Capital will be the brand name used by the Centre for its BITS investments and related activities.

Playford Capital is responsible for the management and administration of the fund with the consortium members providing business development support services to clients. Consortium members act as ‘sponsors’ for incubator clients and meet monthly to discuss management progress, client progress, performance etc.

Playford Capital’s investment funds are sourced from the BITS Incubator Program while their operating expenses are principally met through funding and in kind services provided by the Government of South Australia, EDS Australia, Microsoft, Oracle, Sun Microsystems and Dell.

A case study incubatee company (SeaChange Technology) undergoing incubation with Playford Capital is provided on page 36. This company was accepted very soon after the end of the 2000/2001 financial year.

**Activity levels**

	<b>2000–01</b>
Number of applications	47
Number of incubatees	-
Number of graduates	-
Early exits	-

## **Intellinc Pty Ltd - Tasmania**

### **Consortium Members**

- Item3 Pty Ltd
- KPMG (Tasmania)
- University of Tasmania

Hobart headquartered Intellinc, Tasmania's \$8 million ICT incubator, a part of the Intelligent Island initiative, signed the Grant Deed on 29 May 2001. Intellinc was officially launched on 24 August 2001 and announced its first incubatee, Giftspeak Pty Ltd, on 9 October 2001.

Designed to complement Tasmania's existing ICT infrastructure, Intellinc is a management services incubator that will provide incubatees with a personalised combination of management systems, using physical and virtual facilities and infrastructure. This will enable Intellinc to service all Tasmanian cities and regional centres.

Intellinc operates by providing office space, equipment, mentoring assistance and capital to businesses just getting started and will work with start-ups in the ICT industry and with non-ICT firms that are using ICT as a major business enabler. Intellinc will also take an equity position in its incubatee companies, backing its judgement on the soundness of their proposal.

Intellinc will incubate its client companies for up to two years under one of two incubation systems. In the first, Intellinc takes primary responsibility for business development, allowing the founder to remain focused on further technological development. In the second system, Intellinc supports entrepreneurs in their business, assisting them to source technology on an as-needed basis.

Through KPMG Tasmania and IItem3, Intellinc has established a number of strategic alliances with local, national and international firms. These alliances bring finance, information technology infrastructure, intellectual property support, recruitment and training services to Intellinc.

The University of Tasmania is contributing its statewide R&D capability, expertise and training facilities. The University is also making a facility available to house the incubator adjacent to its Sandy Bay campus.

Since Intellinc was not established until June 2001, no activity details are available for Intellinc for the year 2000–01.

Intellinc expects to incubate between five to seven new clients a year, with up to 12 companies in a steady state of incubation.

## **INCUBATEE CASE STUDIES**

### **FUSE Holdings Pty Ltd (Incubator: ICV)**

#### **The Company and the product**

FUSE has a suite of software applications designed for consumer goods manufacturers and market research companies to carry out market testing of products, new or existing, in 3D interactive environments.

#### **The business opportunity**

The benefits are numerous and include: accurate market forecasting; accelerated data gathering and delivery; robust idea validation; expedited new product launch timetables; improved overall market strategy; removal of expensive models/mockups. FUSE has already applied this technology in a number of successful commercial projects for leading companies. According to the CEO of FUSE, David Flynn,

*'FUSE is about direct contact with consumers at the critical stage of product development. Interactivity within a realistic digital environment allows us to bring your target market into focus when you really need it. FUSE delivers true insights into consumer responses to new products and ideas.'*

#### **The incubation story**

Areas in which ICV has assisted FUSE include:

- allocating an industry specialist as mentor;
- directors and officers liabilities;
- personal networking—as a management tool;
- company structures;
- negotiation skills;
- IP protection;
- strategic marketing;
- legal agreements for up and down stream contracts;
- introduction to Sun Micro Systems as a possible development partner;
- advice from a public relations consultant; and
- additional IP protection advise is being provided in addition to the \$70 000 originally allocated to this company.

ICV has committed \$112 000 to assist FUSE, of which \$90 394 has been expended. ICV has also taken a six per cent equity in FUSE.

#### **The future**

FUSE has an Information Memorandum seeking \$1.5 million in first stage venture capital funding.

Fuse is projected to graduate from ICV's incubator in the second quarter of 2002.

## **GecOz Pty Ltd (Incubator: Original IT)**

### **The company and product**

GecOz is building its business around its unique ability to produce high-quality, large scale, near-surface soil salinity maps from radar data, and its recognised expertise in environmental consulting.

SaltSAR is a surface salinity-mapping product that has been derived from airborne radar data through the application of GecOz developed algorithms. It yields salinity maps and surface hydrology maps at high resolution.

GecOz consultancy services expect to utilise SaltSAR maps, in conjunction with GIS to prepare land management programs, thus accessing funds available for both mapping and land management.

The GecOz Scientists have already been recognised as global experts in their fields. The management team, which includes Original IT Investments' staff on a daily basis, has extensive management experience.

### **Business opportunity**

Salinity mapping is urgently needed in large areas of Australia, the United States, China and Europe. GecOz's business is being built in three stages:

1. Establish the salinity mapping business.
2. Extend the environmental consulting business to leverage salinity mapping.
3. Extend the mapping to include acid sulphates, vegetation mapping and other derivatives of the radar datasets.

### **The incubation story**

GecOz Pty Ltd was incorporated in February 2001 as a client in Original IT Investments Pty Ltd. The company had previously been trading as a partnership selling its Geographic Information System (GIS) and land management services to Federal & State Government Departments, Local Government and indigenous governing bodies.

Original IT Investments owns 35 per cent equity in GecOz Pty Ltd with the remaining equity residing with four Directors.

### **The future**

The Federal and State Governments have committed a further \$1.3 billion to combat the salinity issue over the next seven years.

The Global market for mapping alone is potentially worth more than \$1 billion per annum, but is largely undeveloped, and therefore not well scoped. As programs are being rolled out to combat salinity, the market for re-mapping to measure the success of rehabilitation strategies is likely to become recurring.

## **MYstaff Pty Ltd (Incubator: ITem3)**

### **The company and product**

Sydney headquartered MYstaff, an application software company, has developed a Human Resources Integrated Management System (HRIS) for the small to medium (SME) market.

### **The business opportunity**

The application has been designed to simplify the management of Human Resource (HR) systems by SMEs. The system, which is straightforward to install, complements and extends existing leave and payroll systems by providing access into other HR areas, including recruitment, OH&S, performance and training.

### **The incubation story**

As a result of becoming an ITem3 incubatee, MYstaff has been able to undertake a number of activities which would have been previously out of their reach. These activities include:

- conducting market research into HR requirements of the SME market;
- completing data base product development;
- developing intranet capability and employee kiosk;
- implementing software development processes and business processes;
- recruiting full time CEO and developer based at ITem3 premises;
- implementing sales and marketing strategy;
- attending Trade Shows—CEBIT 2001 and Internet World;
- developing reseller sales channels; and
- developing presentation pitch for potential investors/buyers.

The MYstaff core product has been developed and has been sold to four customers with a healthy pipeline of prospects in both Sydney and Melbourne. Optional modules are under development including Workflow, Intranet, Employee Kiosk, Recruitment and Occupational Health and Safety.

MYstaff has established relationships with a number of payroll vendors, consulting specialists and other service providers. These partnerships allow the customers of MYstaff to be able to access the best providers of HR solutions. MYstaff partners are accredited implementers of the MYstaff HRIS.

Software Showcase 2000 was the catalyst for the founder of MYstaff, Graham Kelly to follow up the advantages of the incubation process. The incubation program of MYstaff has been designed to fully develop and commercialise the product, build the company infrastructure, develop a customer base and prepare for a trade sales exit.

### **The future**

Investment is being sought from angel investors to fund the development of an ASP delivery model and an international market research program. Interest in an alliance/joint venture has also been shown from an international application company whose portfolio lacks an HRIS solution.

## **Nexsys Consulting Pty Ltd (Incubator: ADI)**

### **The company and product**

Headquartered in Melbourne, Nexsys Consulting Pty Ltd ('Nexsys') has developed C-Pay, an intelligent e-payments application, which solves the problem of connecting business systems to banking payment gateways.

Nexsys has established a United States presence for C-Pay through an Original Equipment Manufacturer (OEM) agreement with a large customer relationship management software vendor that is being finalised. C-Pay will become the payments management component of the next version of their customer relationship management product to be launched in first quarter of 2002. Their client base includes retail giants and major United States telecommunication firms. Under another OEM agreement with a consortium involving Rockwell, Compaq and Intel, C-Pay is bundled as part of the iCentricity 'call-centre-in-a-box' product. In the Australian market, Nexsys have achieved six installations into the initial target market of call centres.

C-Pay originated out of a major problem in e-payments systems at a large customer service call centre where the Nexsys founders were working as contractors in 1998. The call centre needed to enable real-time credit card payments from customers over a number of contact methods (for example by phone, monthly batch processes and Interactive Voice Response systems) and to ensure that they reached the appropriate bank account via a banking gateway. This could only be achieved by an expensive integration exercise with continual costly modifications as payment methods or banking facilities changed. The founders developed C-Pay to provide simple integration and extensibility at a cost saving of up to one-fifth the cost of one-off systems integration projects. For IT managers of call centres C-Pay offers a quick payback by enabling real-time payments and flexible banking arrangements without expensive integration and ongoing maintenance issues.

### **The business opportunity**

The market C-Pay addresses is growing rapidly. In Australia, the volume of electronically processed credit card payments increased by 34.5 per cent from 42.9 million transactions per month in 1999 to 57.7 million transactions per month in 2000, with the value of these transactions increasing by 48.8 per cent<sup>1</sup>. The trend to capture these payments at call centres is also expected to keep growing strongly. IDC have estimated that by 2004 revenue generated from systems implementation and consulting services to call centres will be \$US18.3 billion globally, over three times the \$US5.2 billion generated in 1999. The Asia-Pacific region accounted for 4.5 per cent of the overall worldwide market in 1999.<sup>2</sup>

Nexsys has a solid customer base including Village Roadshow, AUSTAR Communications, CRM Australia and the Simon Richards Group. With feedback from these initial sales successes they have developed and are implementing a direct sales plan that clearly identifies the best sales targets locally. Based on their experience with their two OEM partners they have developed a well-defined distribution strategy utilising OEM and systems integrators as channels to market.

### **The incubation story**

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<sup>1</sup> *The Electronic Payments International Journal*, published by Lafferty Publications Ltd.

<sup>2</sup> IDC – Worldwide Call Centre Services Forecast and Analysis, 1999–2004

Nexsys have received a cash and services investment from ADI. The cash investment has provided the resources for Nexsys to further develop C-Pay and to undertake local and international sales and marketing efforts. ADI has also assisted in developing a technology roadmap for C-Pay, targeting and executing OEM agreements with channel partners, developing and executing equity raising strategies, undertaking search for new members of the management team, providing high level introductions to potential clients and implementing a management reporting system.

**The future**

Nexsys expects to become profitable by September 2003.

## **SandwichDirect.com (Incubator: BlueFire)**

### **The company and the product**

SandwichDirect.com is a food/sandwich company with IT as its major business driver. The company was founded by Peter Havas and David James in 1999. Mr Havas came up with the concept when his favourite sandwich shop in North Sydney closed down.

*'It was great food. There was always a queue out the door. But when I talked to the guy about his business, he explained that he was paying rent in competition with retail clothing stores that were open all week. He had just two hours during five days where he could make money.'*

### **The business opportunity**

SandwichDirect offers customers a web-based ordering and secure payments system that delivers personalised gourmet sandwiches to the customer's desk.

At present, SandwichDirect has established one local 'Cell' or node within the North Sydney region able to service up to 15 000 people, all within a 6 minute walking radius from the production kitchen. There are six employees in Australia and a further six working in the United States operation.

### **The incubation story**

SandwichDirect.com was accepted by BlueFire for incubation in June 2000. While BlueFire invested \$328 000 for a 10 per cent equity stake, an additional amount of more than \$500 000 was secured from other private capital sources.

The BlueFire Group has assisted with the:

- recruiting of personnel;
- provision of core services; and
- development of marketing and promotional activities.

Through the incubation process, SandwichDirect has been assisted by BlueFire to:

- develop its secure website which serves as the public face of SandwichDirect;
- develop its customer service model to ensure high customer retention;
- establish a business cell in North Sydney in October 2000 that achieved an operating profit within 5 months;
- license its technology into the United States and subsequently establish a second, franchised operation in Silicon Valley in March this year;
- successfully raise a second round of capital, which included some United States sourced capital, in the June quarter.

SandwichDirect graduated from the BlueFire BITS Incubator in the June quarter this year.

**The future**

SandwichDirect is preparing to significantly expand its United States operations with an aggressive roll-out of Cells in California over the next 18–24 months.

SandwichDirect is in the process of raising its Series C financing round which it expects to be secured predominantly from United States capital sources.

## **SeaChange Technology (Incubator: Playford Capital Pty Ltd)**

### **The company and product**

Adelaide-based company SeaChange Technology is commercialising a patented and proven electronic shark-repellent technology. The Shark Shield, which was developed by SeaChange, has been extensively tested against Great White sharks under scientific trial conditions off the coast of South Africa—under the supervision of the Natal Sharks Board. In 100 per cent of cases, the unit repelled feeding sharks after the sharks' first bite of a horse leg in water bloodied with burley.

The technology works by generating an electrical field in the water that is detected by special receptors in the snout of the shark. These receptors, called the ampullae of Lorenzini, appear as many tiny black dots on the snout of the shark.

The repellent technology produces substantial electrical fields strengths of a particular waveform that sharks find highly irritating.

### **The business opportunity**

With 18 million active surfers (62 per cent of shark attacks are on surfers) and 16 million divers worldwide the market for the SeaChange Shark Shield is substantial. The technology is equally applicable to aquaculture and beach protection barriers.

### **The incubation story**

SeaChange first approached Playford in early 2000. Playford subsequently invested \$450 000 in SeaChange, an investment that led to additional private equity investment of \$700 000.

Playford has assisted with:

- capital raising;
- a review of technology licences; and
- the development of marketing and promotional activities.

### **The future**

The SeaChange Shark Shield is preparing for worldwide launch of the personal Shark Shield in early 2002. Development of units for aquaculture and beach protection barriers is planned to follow.

## **Softgame International Pty Limited (Incubator: A&BSSV)**

### **The company and product**

Softgame is a telecommunications infrastructure and content provider, currently headquartered in Sydney. The company anticipates relocating its head office to Hong Kong during 2002, while retaining R&D in Australia. In essence, Softgame provides mobile carriers with three core services:

- The company provides mobile carriers with a ‘carrier grade’ technology platform which distributes entertainment content to their mobile phone customers.
- The company provides a network infrastructure which allows mobile phone users to play games or chat with other users around the world—without requiring interconnect agreements between carriers.
- Softgame sources compelling entertainment content for mobile carriers to distribute over the platform and network.

Softgame’s technology platform, known as Softconnect, can deliver complex content to mobile phones using the world’s most popular wireless medium, short-message-service (SMS), as well as emerging technologies such as GPRS or J2ME

### **The business opportunity**

Softgame has convincingly demonstrated demand from mobile carriers and consumers for its platform and content and as its mobile carrier distribution grows it becomes an increasingly attractive and credible channel for the distribution of branded entertainment content. A recent contract with a global entertainment group demonstrates this potential—Softgame is also currently launching its first range of externally developed games.

Softgame operates using an ASP technology platform. As the company adds new carriers or countries to the platform it is establishing an international ‘entertainment network’. Importantly, this network infrastructure eliminates the need for mobile interconnect agreements, and should help build mobile carrier loyalty to the Softgame platform.

Softgame’s main competitors are based in Finland, Sweden and the United Kingdom. Softgame is well positioned to emerge as market leader in the Asian region as evidenced by its contract acquisition in the Philippines, Hong Kong and Australia/New Zealand. The company is well advanced on market entry to Greater China.

### **The incubation story**

A&BSSV has been directly involved in supporting the company to achieve the following major developmental milestones:

- Softgame has closed deals with seven major mobile telephone carriers in six countries.
- The company has successfully launched its products in Australia, New Zealand and the Philippines.
- A&BSSV provided access to a Sun platform for all development, testing and demonstration purposes. Platform integration has now been achieved with the SMSCs of five carriers.
- A&BSSV identified and recruited a new Chief Executive Officer and Chief Technology officer to lead the company.

- A&BSSV led a \$2.5 million fund raising process which has underwritten the company's growth.

**The future**

With A&BSSV's support, Softgame has achieved significant commercial growth in international markets. The management team has been significantly strengthened and the company is now poised to take a leading role in the Asian region.

## **Supersoftware (International) Pty Ltd (Incubator: EiR)**

### **The company and product**

Supersoftware (International) Pty Ltd (SI) is a software development company with its primary focus on developing an international 3D modelling application that would assist police with the identification of vehicles used in crime. Through its core product IVIS, Supersoftware provides a formalised automated process whereby cognitive interview techniques assist a witness to quickly and accurately identify a vehicle used in a crime.

### **The business opportunity**

Jason Barber, the founder and CEO of Supersoftware, has been a police officer who has experienced the practical solving of crime involving motor vehicles. Through this experience, Mr Barber identified a niche market for the creation of a vehicle identikit system that would operate in a similar fashion to face identikit systems.

Through the creation of a software system which provides police with the ability to display highly detailed 3D computer models of vehicles, police can create a photo realistic 3D image of the motor vehicle that best matches the description given by witnesses. From this police can instantly broadcast out to the public. At present, there are no known alternatives worldwide to IVIS.

### **The incubation story**

Supersoftware was accepted by EiR in May 2001. EiR invested \$200 000 for 25 per cent of the company. At the same time a second investor invested \$100 000. Subject to further achievements against milestones, EiR will invest an extra \$200 000, together with private capital investment of an additional \$700 000.

EiR has assisted Supersoftware in a range of management and support areas. These have included recruitment of personnel, provision of facilities including housing, office systems and support services such as administration, tax and grant applications. In the area of management support, EiR has assisted in the development of marketing strategies, establishing contacts with potential customers and negotiating the supply of core technologies direct with an international supplier at a highly discounted price.

The benefits to Supersoftware have been to take the business from a sole proprietary operation to an established structured and investment-ready company and successfully develop a fully operating demonstration version of the software, on time and within budget, which saw it successfully exhibited at a national forum of senior police.

### **The future**

Supersoftware's core product, IVIS, will be ready for its first market release in Australia in May 2002. The software architecture will be ready for internationalisation from January 2002 and discussions on establishing joint venture agreements to commercialise the product into Europe are already underway with the Zernike Group in The Netherlands. A web-based version to complement the initial release of the software will be ready for release in December 2002 and the completed database will be extended to include 1000 vehicles by May 2003.

The company is also working on a plan to enter the United States market.

## **THIRI Pty Ltd (Incubator: Epicorp)**

### **The company and the product**

THIRI was founded in 2000 by local business people and investors, including Brand Hoff, Kevin Cox, and Clive Boughton. The company board and advisory board come from senior levels within the private, government, academic and financial sectors and are an active part of Canberra's IT network.

THIRI is a software research and development company developing the SNAP e-commerce product, which exploits Bullant technology. The SNAP product enables any organisation to securely offer services over the Internet, receive subscriptions to the services, send invoices, collect payments and resolve disputes.

SNAP is THIRI's first project. It arose from the founders' belief that the micropayments problem could be solved using the revolutionary Australian developed Bullant technology.

### **The business opportunity**

SNAP solves the micropayments problem which occurs when the costs of traditional billing methods exceed the amount of payment collected, making it uneconomic for a business to collect payment. It has been a particular problem with Internet sales as the lack of a cost effective solution has negatively impacted many online businesses. The SNAP system solves this problem because it can instantaneously collect very small amounts (less than one cent) and can therefore enable instant fulfilment of products of any value that can be delivered via the Internet.

Once having designed a solution to micropayments, THIRI realised that the solution was extensible to other bill presentment and payment problems facing SMEs as well as large billers. The solution uses two technological innovations: the Bullant technology and THIRI's invention of the shared transaction record.

### **The incubation story**

THIRI was accepted into the Epicorp incubator in March 2001, with BITS funding of \$450 000 for a 4.5 per cent equity stake. THIRI has successfully completed a funding round, totalling \$1.6 million.

THIRI has received assistance from Epicorp to:

- recruit key staff to management;
- develop a robust commercialisation strategy for the SNAP product;
- secure capital raising;
- use networks to access key skills;
- access a range of assistance programs including secondments and training placements; and
- develop good corporate habits, including good governance.

THIRI will shortly be trialing the SNAP product with SMEs in the Canberra area and the incubator will be one of the trial partners.

THIRI is currently projected to move on to its next project early in 2003 and likely to graduate from the incubator in 2003.

**The future**

As a result of the capital raising round, THIRI is now projected to complete product development by the end of 2001 and is projecting customer sales in early 2002.

## **Whilemobile.com Pty Ltd (Incubator: InQbator)**

### **The company and product**

North Sydney-based Whilemobile.com Pty Ltd provides customised, low-cost communications solutions to business of any size, based on the Short Messaging Service (SMS) that is available over all mobile phone networks in Australia. The company was founded in December 1999 by Antony Helliar, Mike Shannon and Geoff Wenborn, who share over 50 years of experience in various sectors of the IT industry. Whilemobile went into live trials in August 2000.

Its proprietary Open Wireless Framework (OWF) uses instant wireless messaging for two-way delivery of content between all mobile phones and all Internet-connected computers. The OWF enables users to push or pull any content or information to any user at any time, irrespective the network operator. It operates on GSM and CDMA networks and will be extended to other networks, protocols, delivery channels and mobile devices in future.

### **The business opportunity**

Corporate messaging solutions provide new tools for marketing and customer relations management, workforce communications, or business process redesign. The opportunities lie in expanding the service offerings to customers and creating new ways for the company to communicate and interact with them, in capturing efficiencies and cost-savings in intra-business communications, or in finding more effective ways to monitor and control plant and equipment. Examples of each can be found among Whilemobile's existing customers.

Whilemobile has a separately branded retail wireless portal, WILDmobile.com, providing web-based SMS, mobile email and infotainment content to individuals, especially in the youth market.

### **The incubation story**

Seed funding in the form of a grant of \$450 000 of BITS Incubation Program funding was provided by *inQbator* in December 2000.

Whilemobile joined *inQbator's* incubation program and entered into an agreement to provide an equity share of 20 per cent of the company.

Through the incubation program, Whilemobile has been able to complete development of the software for its OWF, build its administration and management processes, develop and execute an initial marketing strategy, achieve sales volumes that indicate it should become earnings positive by June 2002, and identify a strategy for medium-term growth.

**The future**

Whilemobile will raise a second round of capital in early 2002, to expand its sales and marketing capacity for rapid expansion of its customer base. New funding will also support further technical development of the OWF, and its extension to new services, delivery channels and devices. The capital raising will coincide with Whilemobile's graduation from *inQbator*.

## APPENDICES

### Appendix A - incubator contact details

#### **Allen & Buckeridge Seed Stage Ventures**

Website: [www.epark.com.au](http://www.epark.com.au)  
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#### **Australian Distributed Incubator (ADI) Pty Ltd**

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#### **BlueFire Group**

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#### **EiR Pty Ltd**

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#### **Epicorp Ltd**

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#### **Information City Victoria**

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#### **inQbator**

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#### **ITem3 Pty Limited**

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## **Appendix B - BITS Incubator Program Advisory Panel**

Norm McCann (Chair)

- Chief Executive Officer, Hewlett Packard Australia Pty Ltd
- Member of the Industry Research & Development Board's IT&T Committee
- Member, Council of the National Library of Australia.

Warwick Smith

- Executive Director and Co-Chair Telecommunications Media and Technology Group, Macquarie Bank Limited

John Cromie

- Managing Director, Open Software Associates
- Former director of CITRI
- Member, Australian Information Industry Association

Ken Roberts

- Managing Director of Australian Technology Group (ATG)
- has served on a number of Government and Industry Boards

Michael Shur

- Head, National Strategy and Business Development, the AusDoc Group
- Chairman, NSW Information Industry Business Advisory Board
- Board member, Australia Israel Chamber of Commerce

Wayne Bos

- Director and Chief Executive Officer of Sausage Software