



NSW Business Chamber

Application for WCF 2013 World Chambers Competition

BEST SMALL BUSINESS PROJECT

‘Business Vitality Check’

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Introduction

NSW Business Chamber is pleased to apply for the WCF 2013 World Chambers Competition - Best Small Business Project.

New South Wales (NSW) represents 35% of Australia's economy and comprises a business demographic of 80% small and medium sized business and 20% large and corporate business across a variety of industries.

NSW Business Chamber is Australia's largest private business Chamber and has a Charter to support all business in Australia with lobbying, advocacy, information, support and advice. Currently we support 10,800 members and 50,000 customers with solutions that help business solve their problems, manage their compliance obligations and realise their opportunities through domestic and international growth channels.

Our ability to help business achieve the above comes from our multi-disciplinary service offering delivered by in-house experts who have expertise in Marketing, Sales, Strategy and Planning, Workplace Safety, Human Resources, Recruitment, Training & Development and International trade.

In 2007 NSW Business Chamber began investing in the development of 'next generation' online products that fit within our multi-disciplinary offering in an effort to reduce the costs small business owners incurred in their efforts to be compliant or grow their business.

Consequently, our product development team today create online products with the assistance of our subject matter experts and retail these products at an affordable rate, minimising the cost imposts typically associated with individual consulting assignments. Many of our online products are included as a membership entitlement.

Examples of online products currently used by NSW Business Chamber members include:

- www.hradvance.com.au – our Award Winning HR documentation management system that helps small and medium size business manage their hiring, performance management and termination practices in a legally compliant way;
- www.whsAdvance.com.au – a safety management system that helps small to medium business owners manage their safety regulations, hazards and incident reporting.
- www.workplaceinfo.com.au – a Human Resources daily news service containing legislation updates, case studies, test cases and an ask an expert email service;
- www.workplaceohs.com.au - workplace health and safety daily news service

In 2008, we expanded our product development capability to design and build online diagnostic tools aimed at conducting an assessment of an operation and providing recommendations on how to improve.

We launched **Business Vitality Check** - a web based diagnostic tool that a small business owner can complete at any time and then receive a comprehensive 140 page report full of recommendations on the areas they need to improve.

The diagnostic tool was supported by a 3 month coaching program that allowed the small business to receive mentoring by an experienced advisor to implement immediate actions required.

Business Vitality Check was taken up by 35% of our members in its first year of launch and is now offered as a standard membership entitlement.

In 2010, Business Vitality Check was customised for Australia's largest and most prestigious business awards program the Telstra Australian Business Awards as a tool to provide feedback to entrants that have spent around 30 hours preparing their business case as part of the rigorous and robust entry process.

In 2011, Business Vitality Check was adopted by the Tasmanian Chamber of Commerce to act as the platform to deliver a significant Tasmanian Government grant aimed at lifting the capability of small business in Tasmania.

To date, over 2,950 small businesses have completed our diagnostic tool and in the case of the Telstra Business Awards, over 45 businesses have been recognised Australia wide as businesses of excellence receiving significant media exposure and related business growth as a consequence of receiving the Award.

We believe Business Vitality Check is a unique and extremely good value for money diagnostic that provides instant assistance to a small business owner looking to raise their capability in areas of their operations.

Diagnostic tools currently support our multi-disciplinary areas of safety, human resources, marketing, international trade and business improvement and help members manage their businesses more efficiently.

Briefly, describe how your project originated. How did the idea come about, what needs were identified and why?

Project Origination

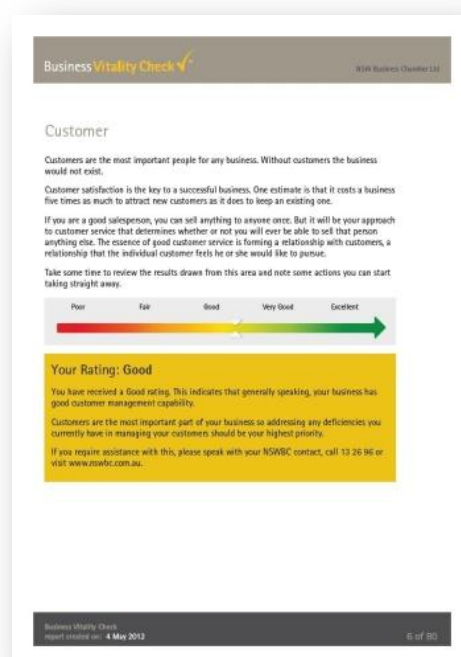
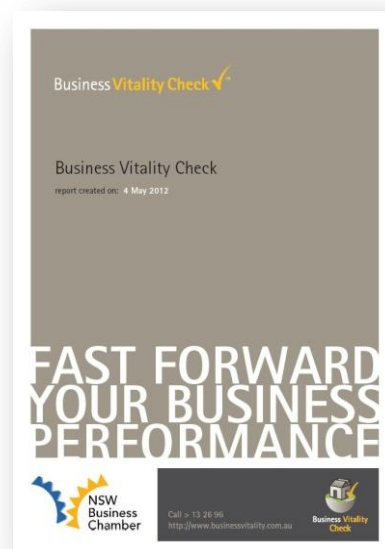
Following a member needs research project in 2008, NSW Business Chamber identified that small business needed significant assistance and support to help their business grow and sustain as they lack the necessary time, skills, knowledge and resources to implement an on-going plan of operational and strategic improvements.

Our members rely on us to proactively deliver resources and tools to help their businesses easily respond to compliance changes and also assist in growing their business.

At a strategic level, NSW Business Chamber launched Business Vitality Check because we wanted to establish a set of benchmarks across key business areas to enable it to communicate to the market what sustainable practices are; give account managers a stronger mentoring role and deliver a cost effective, incremental, continuous improvement program that ensures the on-going sustainability of our members.

Small businesses could hire large consulting firms to receive operational health checks and benchmarking but their fee structure made it cost prohibitive to implement and limited their ability to improve in the areas they needed most.

NSW Business Chamber saw an opportunity to combine our online development capability with our multi disciplinary expertise and created Australia's most comprehensive online business health check called **Business Vitality Check**.



Business Vitality Check is a web based diagnostic tool that a small business owner can complete at any time and then receive a comprehensive 140 page Recommendations Report written by NSW Business Chamber experts.

The purpose of **Business Vitality Check** is to foster small business growth by improving capability, productivity and profitability. The diagnostic and report provides benchmark information on how to improve areas of their operations and prioritise the areas they need to start on.

Many businesses use **Business Vitality Check** as the basis of the business planning process and NSW Business Chamber members currently receive **Business Vitality Check** as a membership entitlement.

How the idea came about

Telstra is one of Australia's largest employers and a valued member of NSW Business Chamber. Telstra is Australia's leading telecommunications and information services company.

In the small business space, Telstra Business provides services to more than 1,000,000 customers and runs Australia's largest national business awards program called the Telstra Australian Business Awards. These Awards provide Telstra with an opportunity to build their brand and establish a thought leadership position with small and medium business and enable small business to develop robust business plans with a vision to aid them in their growth and prosperity.

At a meeting between the Head of Small Business at Telstra and General Manager and Sales Manager for NSW Business Chamber, discussion centred around how NSW Business Chamber could assist Telstra Small and Medium Business customers with resources that would help them improve their productivity and profitability.

We quickly realised an opportunity to customise **Business Vitality Check** and offer this unique online product beyond our member base and for use by an entirely new and high profile cohort of small businesses across the Australia.

Due to our product development capability, we recommended to Telstra that we could customise **Business Vitality Check** to underpin the Awards process, benchmark results against best business practices and provide the applicants with a valuable feedback loop through the recommendation report.

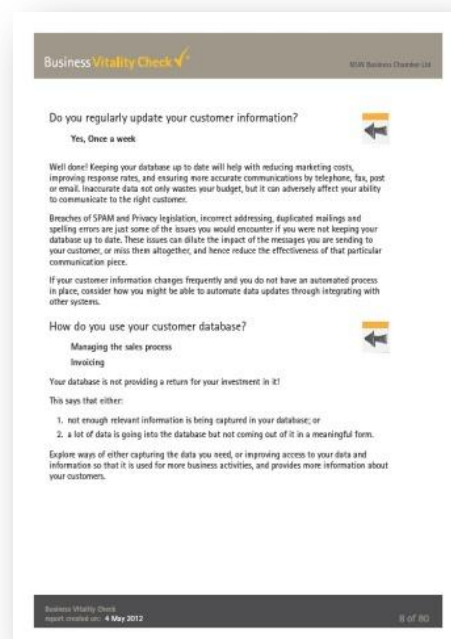
A new program of excellence was born in Australia.

A year later our Sales Manager also saw an opportunity to offer the Tasmanian Chamber of Commerce a customised version of Business Vitality Check to underpin a Contract awarded to them to deliver a Business Improvement Program to Tasmanian small businesses.

The Tasmanian Chamber uses Business Vitality Check to perform the diagnostic process within a comprehensive business mentoring and coaching and provides valuable priority setting of immediate actions for the Advisor to take with the small business.

Needs identified and why?

Proudly, NSW Business Chamber has been supporting Telstra for three years with our **Business Vitality Check** diagnostic, administering over 1700 diagnostics to applicants.



Telstra needed to be able to recognise entrants that operated in both the business to business sector and business to consumer sector. NSW Business Chamber customised Business Vitality Check to enable Telstra to ask questions specific to these sectors and provide recommendations for improvement specific to this type of business model.

NSW Business Chamber provided all the content for this customisation as well as improved functionality. In 2011, Telstra also required NSW Business Chamber to extend the diagnostic to include questions that assessed businesses in the 'Start Up' Category.

'Start Ups' are often an under recognised category of business with many businesses failing in the first three years of start up. By expanding the Awards program to include Start Ups, we would be directly influencing the success and longevity of 'Start Up' businesses by providing practical and best practice recommendations on how to grow their operations in the right way.

NSW Business Chamber also provides summary reports to Telstra based on aggregate data gained from the diagnostic providing Telstra with valuable national data on the current state of capability across Australia.

For the Tasmanian Chamber of Commerce, Business Vitality Check provided a more efficient way for the Advisor delivering mentoring and coaching to assess each small business and focus on delivering Action plans for improvement subsequently moving them quickly along the implementation path.

1. Describe your project based on the category selected. (Context, innovative character, invested resources, difficulties met.)

Context

The development of **Business Vitality Check** was driven out of a gap in market for small business in Australia wanting to receive a cost efficient and quick way to improve their capability.

The Telstra Australian Business Awards is Australia's largest and most significant business awards program for small and medium business. An average of 600 Australian businesses enters the Awards program per year and these businesses come from a variety of industry, size and geographies.

The Telstra Australian Business Awards celebrates business best practice and achievements with recognition provided to the 'best business' by state/territory culminating to the 'best business' of Australia. It is a high profile and prestigious awards program with winners of each category receiving significant press coverage and kudos from the Awards. The Telstra Australian Business Awards generates around 20% of all of Telstra's positive media coverage.

Being a high profile organisation with core expertise in **telecommunications and information services**, Telstra engaged NSW Business Chamber to collaborate and enhance the Awards program.

Equally, for Tasmanian Chamber of Commerce members, the use of **Business Vitality Check** as part of a broader business improvement program provides the business owner with tangible results of their state of operations and provides the Advisor with a standard way to conduct coaching and mentoring.

In NSW, our own sales team use Business Vitality Check to discuss member operational health and encourage them to utilise their membership entitlements in the areas they need most.

Innovative Character

Business Vitality Check is innovative both in design, technology and availability in the marketplace. Being a web based product, it can be accessed by any business and in any geography. As stated earlier, **Business**

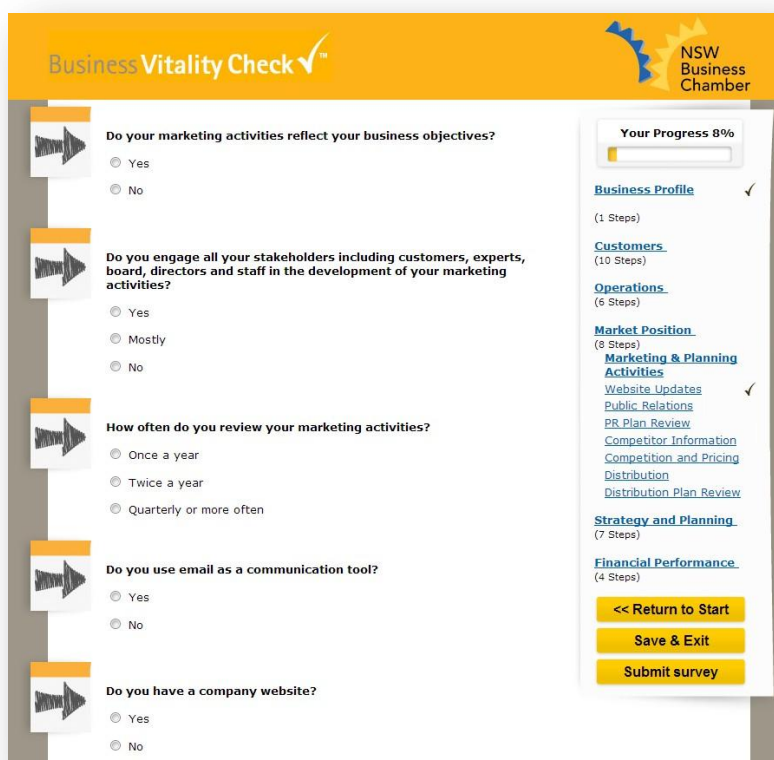
Vitality Check is provided as an entitlement to NSW Business Chamber members and has been customised for both Telstra and the Tasmanian Chamber of Commerce. Non members can purchase the diagnostic for a very reasonable price of \$770 including Goods and Services Tax.

As we have been supporting the growth and capability of small business for over 160 years and as a leading provider of small business solutions we are well placed to provide business with practical information, advice and support and we have the capability to customise **Business Vitality Check** for any Chamber of Corporate enterprise.

In addition, by providing an online tool that taps into the vast expertise and experience available at the Chamber, we are able to fulfil our Charter and enhance the performance of small business by providing content that focuses on best practice operations.

With small business owners spending most of their time working *in* their business and not *on* their business, our diagnostic tool allows business owners to review their business behaviours, explore new channels to market, harness technology, stay on top of their compliance, access international trade opportunities and manage their financial ratios.

Business Vitality Check is an innovative online diagnostic process that performs dynamic questioning algorithms to guide a user down a pathway to completion. We are the only Chamber in Australia to provide an online business health diagnostic to their members (as an entitlement). It can be purchased online and can be accessed 24x7, making it easy for business owners to review their operations in their own time.



Specifically, **Business Vitality Check** is a web based diagnostic and performs the following:

- Categorises content into sales, marketing, HR, Safety, technology, compliance, insurances, customer management, financial performance and risk management areas;
- Provides recommendations based on Australian and global benchmarks including ISO9001 quality practices;
- Recommends improvements based on practical and digestible actions that a small business owner can implement either themselves or with assistance from an expert;
- Can be accessed via a login and can be completed at any time;
- Assesses answers based on a complicated matrix of scoring and weighting
- Provides a 'business health' rating based on a 5 point scale from poor health to excellent health
- Scores each diagnostic report against criteria of best business practices
- Provides a 140 page report full of recommendations on why they scored a result, what they need to do to improve and where to go and get help
- Can be 'white labelled' and rebranded and customised for use by other organisations who wish to improve the health of their small business customers (Eg, Telstra and Tasmanian Chamber of Commerce)

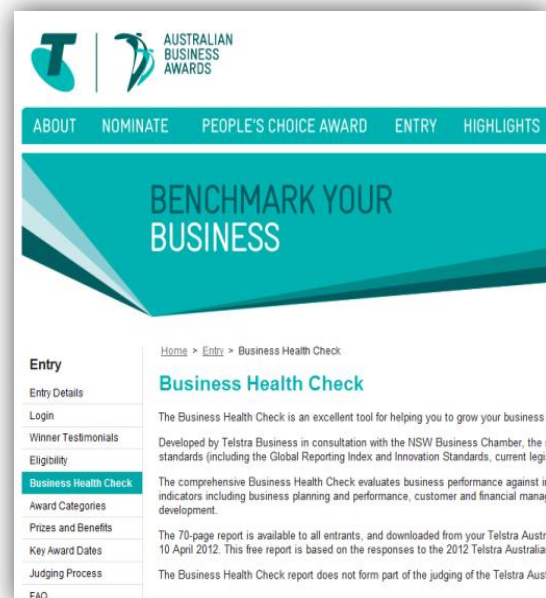
NSW Business Chamber customised **Business Vitality Check** for Telstra and created a program of excellence that performs the following:

1. A systemised process for entrants into the program.
2. Filtering of questions to provide recommendations suitable to a small business that are in the B2C, B2B or 'Start Up' space.
3. Judges small business in their management of innovation and sustainability practices.
4. Filters questions to address best practice for small and micro businesses in 'start up mode'.
5. Provides Applicants with a Recommendations Report in real time.
6. Enables Telstra to create a holistic business improvement function that not only recognises excellence but provides feedback to small business.

This project has significant importance to NSW Business Chamber because through Telstra we are able to extend our support and growth of the capability of small business across the country.

Invested resources

NSW Business Chamber has invested significant resources, time and money to build **Business Vitality Check** functionality.



A formal project management methodology was followed to create the product including assigning a Project Manager, Project developers and Project Stakeholders. The product was championed by the Chief Executive Officer and engaged multiple subject matter experts from within the Chamber to write the content.

We worked with an external software developer to build a common diagnostic platform and we own all our source code, architecture and design. The design of Business Vitality Check cost \$500,000 AUS to build and we are comfortable with our rate of return on investment. We now offer the Diagnostic as an entitlement to members.

Our investment in the development of a diagnostic platform has allowed us to use our diagnostic platform to create other diagnostics including:

- an "export diagnostic" which helps small business improve their international trade health when dealing with countries that have a free trade agreements in place
- a workplace safety diagnostic that assess a small business practice against Australian legislations
- a digital health diagnostic that assesses a small business web presence and digital strategies
- A human resources diagnostic that assesses workplace practices and employee engagement

Income gained to the Chamber for this diagnostic expertise raises in excess of \$200,000 per year is reinvested into further membership developments and entitlements.

Difficulties met

The design and development of Business Vitality Check from a software implementation perspective went better than expected. We struck difficulties in the development of algorithms that helped weight and score questions and answers, but they were resolved within an acceptable period. The most difficulty we have experienced with the product has been integrating the diagnostic to our clients databases. Currently our

diagnostic is offered as a free standing website; however when there is a requirement to integrate the diagnostic into a database many programming and technical issues arise resulting in a very steep learning curve by our product development team on application integration. Many long hours are incurred by both the technical development and client liaison team to ensure a quality result and we have absorbed the costs associated with these long hours.

2. What have been the results and influence of this project? (Short and long term impact, measurable data, benefits.)

NSW Business Chamber has enjoyed outstanding results from Business Vitality Check and a widespread ability to influence the growth of small business capability growth across Australia thanks to the customisation for the Telstra Business Awards.

To date, over 2,950 small businesses have completed our diagnostic tool through all channels to market.

We believe Business Vitality Check is a unique and extremely good 'value for money' diagnostic that provides instant assistance to a small business owner looking to raise their capability in areas of their operations.

Within NSW Business Chamber the production of the product itself brought many staff together from different disciplines to work together as one team and produce a product of outstanding quality. This collaboration fostered innovation, teamwork and a learning culture. New jobs were created at the Chamber to develop Business Vitality Check and its subsequent customised iterations.

In the year of launch, Business Vitality Check was featured in a State-wide 'Road-show' where nine Regional offices helped to launch the diagnostic and hosted an average of 70 local small businesses to network and connect using Business Vitality Check. The recommendations housed within Business Vitality Check cross sell Chamber services and highlight important areas of compliance for which NSW Business Chamber has the strongest expertise.

For our customised version with Telstra, the reach of Business Vitality Check has gone national. Over 1700 businesses have undergone the Telstra diagnostic with businesses recorded as using the diagnostic to determine their business plans.

NSW Business Chamber is able to gather and analyse aggregate results gained from the completion of the diagnostics to guide and shape further development of Chamber programs and services that can be offered to members. For example, after the first year of launch, our research using the Business Vitality Check aggregate data clearly demonstrated a gap in the small business market for information on how to create a succession plan and adequately prepare a business for exit.

With one in ten Australian business owners expected to retire from their businesses in the next 5 years, NSW Business Chamber responded to this analysis and developed a comprehensive program on Succession Planning that included a 9 step process on what, how and who to go to for help rolling out this program across NSW.

For Telstra, the new Awards process has provided value to Telstra Award entrants by receiving feedback in the form of the Recommendations Report.

Specific analysis, undertaken by NSW Business Chamber allowed Telstra to highlighted nationally where small business was performing well and not so well in sales and marketing, customers, employees, planning and performance, financials, innovation and social responsibility. This analysis received significant media coverage promoting opportunity for learning and development and consulting services.

An excerpt from the Telstra website describes the impact of the program – please refer below:

- 93% of businesses have a website and the websites (70%) were the second most popular marketing channel after the sales force (80%);
- About one in five of the businesses' customers (19%) were 100% satisfied with their current level of service while 72% had satisfaction levels above 90%;
- 97% of businesses could clearly differentiate the benefits of their products and services from those of their competitors;
- 41% offered incentives or bonus programs to all staff and nearly 90% reported no industrial issues;
- 90% had a clearly documented business plan for at least the next year (although 38% admitted it was only partly documented) and a quarter track progress to plan each month;
- 35% had no documented risk management system in place and 23% were not confident they were covered for intellectual property protection;
- Of businesses that conducted supplier reviews in the past year, almost two-thirds reported major benefits including reduced costs, better customer service, increased reliability of delivery and better quality products;
- 96% regularly measured their pricing against costs to ensure profitable operating margins and 62% had contingencies equal to three months' sales put aside; and
- Only one in 10 entrants believe they are able to continue the running of their business if they are away for a period of more than two weeks.

Collette Harkins, co-owner of leading Australian glass recycling business Colmax Glass, a 2011 National Awards winner which operates plants in NSW, Victoria, Queensland and WA, urged small and medium business to enter the Awards and take advantage of the Business Health Check.

"Receiving a personal report on your business is a real incentive to enter the Telstra Awards. We found it incredibly helpful as a way of benchmarking what we do across a range of business areas. It was particularly useful in identifying areas of weakness where we needed to bolster our resources.

"In a small business, your skill set can be limited by the experience of the owners, to the point you don't even realise you've neglected something important. In our case we found the feedback on marketing and planning particularly helpful as we develop new products." Mrs Harkins said.

Will Irving, Telstra Business Group Managing Director and Telstra Australian Business Awards Ambassador, urged small and medium businesses to get their entries in to the 2012 Awards. "The Business Health Check is beneficial and informative for every entrant – it helps them grow their business tomorrow by knowing where it is today," Mr Irving said.

For the Tasmanian Chamber of Commerce, the use of Business Vitality Check as part of their Business Advisory program enabled them to assist 100 small businesses in Tasmania.

3. Can your idea be applied in other parts of the world? (Please explain how and why.)

Business Vitality Check is a web based product and can be used by any Chamber in the world.

With content based on global best practice including ISO9001 quality practices, all content within the diagnostic addresses standard business practices from managing your people, to suppliers, to clients to financials.

If a Chamber from around the globe wishes to use Business Vitality Check as part of their member value proposition, Business Vitality Check can be:

- Adopted with no change to the product and the Chamber will be charged a small fee per user licence
- Re-branded or white-labelled to promote any Chamber brand and the chamber will be charged a customisation fee plus a small fee per user licence

- Rebranded and content modified for which any Chamber will be charged a customisation and small fee per user licence.

This product follows standard product development methodology with documented processes and training available to any Chamber. The product can also be translated from English to many languages with the content completely customisable pointing recommendations back to the Chamber promoting it. For example, with the Tasmanian Chamber of Commerce, all the recommendations on what to do next were customised to Tasmanian local linkages encouraging local uptake of training and consulting services. Currently, we are in discussions with a major Association for Business in India.

Any Chamber with access to business improvement expertise or consultants would be able to licence and run this program and support the program with local resources.

4. Why do you feel your project should be selected as a finalist and presented at the 8th World Chambers Congress?

Winning this category would give NSW Business Chamber international recognition for our relentless quest to use our knowledge, experience, skills, resources and investment to lift and build the growth of small business in Australia.

Small business is the backbone of the Australian Business community representing over 80% of all business in Australia and NSW Business Chamber is proud of its capability to build and deliver online business growth products that can be easily and affordably accessed by small business.

To be selected as a finalist would give us an opportunity to share our project and innovation for use with other Chambers worldwide and would be an honour to be considered.

Thank you for the opportunity to present our Small Business Project to the WCF 2013 World Chambers Competition. NSW Business Chamber is a proud supporter of the World Chamber Federation and look forward to attending the 2013 World Chambers Congress in Qatar.

If there are any questions regarding this application, please do not hesitate to contact Paula Martin on paula.martin@nwbc.com.au. We look forward to the potential of participating in this competition.

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