

The change-up

What is it that propels a small business to greatness? Three SME founders and leaders share the turning points in their journey to success.

Story by Jane Nicholls

“Sometimes running a small business is more art than science,” says Luke Achterstraat, CEO of the Council of Small Business Organisations of Australia (COSBOA). “There’s always trial and error involved to find the right product or service that fills a gap sustainably in the market.”

Australia’s 2.5 million small businesses – those with a turnover of \$10 million or under, with most turning over less than \$2 million – make up about 98 per cent of all of our businesses and form the mighty heart of our economy. SMEs employ almost 7.9 million people and generate more than \$850 billion of economic activity – or more than half of Australia’s GDP.

Each one started with a dream but most will have had their share of nightmares, too. It takes resilience, resolve and creativity to keep going. “It’s the nimbleness of small businesses and their entrepreneurship that drives this innovation and dynamism,” says Achterstraat.

There’s a mix of bumps, byways and bright spots when running a small business. But for these three success stories, there was a turning point that changed everything.



John Paul Unizar

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JOINING AN ACCELERATOR

➤ **Anna Polyviou**
Anna Polyviou Pty Ltd

The cliché is “fame and fortune” but celebrity chef Anna Polyviou says she made a “silly business decision” that resulted in lawyers telling her to declare herself bankrupt. A tricky partnership had ended in her losing her dream of opening her own shop in Sydney’s Inner West in 2022, as well as a year’s worth of work on recipes.

The one-time *MasterChef Australia* favourite dug in to pay off debts. “I was depressed but I was able to sleep at night,” she says. By late last year, Polyviou was back in action on Network Ten’s *Dessert Masters* at about the same time that her co-branded “edible cookie dough” hit the chiller cabinets in 850 Woolworths stores around Australia. She says Seedlab, a startup incubator and accelerator program sponsored by the supermarket giant, was instrumental.

“My friend Skye Blackburn, who owns the Edible Bug Shop, said, ‘Apply for this Seedlab program – you need to learn how to run a business, the manufacturing, branding, costs... everything.’” Polyviou was one of about 30 per cent accepted from hundreds of applications into the program. “It changed my life.”

The free online incubator bootcamp aims to identify if any of the businesses have a product that’s “retail ready”, says Seedlab co-founder and CEO Hazel MacTavish-West. “Anna came to the online course every week, having done all her homework. Then she got to pitch for our four-month accelerator program, Cultivate, with a five-minute video and samples of her cookie dough. I saw her come to life.” Polyviou’s was one of about 15 businesses that earned a place, receiving one-on-one mentoring and online resources to support her in everything from intellectual property to food safety and how to pitch.

But there were still plenty of hoops to jump through. In early 2023, at an expo for Woolworths staff to sample products, MacTavish-West says Polyviou’s meeting with the category manager didn’t go well. “They made it clear: ‘The fact that you’re going to be on *Dessert Masters* is not of interest – we’re doing this for your cookie dough.’ It was assessed on its merits.”

Seedlab worked with Polyviou to ascertain the benefits of setting up a joint venture with Charlie’s Fine Food Co. “She did a lot of work on extending the shelf life of the product,” says MacTavish-West, “and she listened to feedback that the product also needed to be edible raw.”

The partnership with the boutique baker and wholesaler is the happy opposite to the one that nearly bankrupted Polyviou. “It’s a family-run business that’s really respected in the industry,” says the chef. “Without Charlie’s, I wouldn’t have been able to get into 850 stores.”

Polyviou’s confidence was also renewed. “Part of being an entrepreneur is the life lessons from business. It’s about surrounding yourself with like-minded people who allow your aspirations to grow.”

Flying from Darwin to Sydney, she got chatting with Paul Valenti, managing director of catering company Gema Group. By March, The Dessert Trolley by Anna Polyviou will be rolling through the corporate hospitality area at Sydney’s Accor Stadium.

“Anna’s such a talent,” says Valenti. “I’m very passionate about how we run our business – we have very similar values and I love that she always wants to do more.”

Polyviou’s desserts are on offer through online chef marketplace Providoor. She also wants her own TV show and to open an eponymous boutique store in a five-star hotel. “I love hotels – they really do make dreams come true,” she says. As Polyviou now knows: dream big – but back it up with a clear-eyed business plan.



MAKING A PIVOT

➔ **Amin Shayan**
Littlepay

After leaving international banking in 2012, Amin Shayan used the connections he made working on a number of tech startups and joined the founding team of payments platform Littlepay in January 2016. “It was a very broad, ambitious vision that had a complex problem set – and nobody else was really doing anything like it,” says Shayan, who started as COO. “I’d never had the opportunity

to be part of building something from the ground up – raising money, hiring people, getting our own office... starting everything from scratch.”

The backing came from investment group ICM Limited’s technology portfolio, Allectus Capital. “This was not a garage startup,” he adds. “Building a payments platform is very capital intensive. The vision was a platform for micropayments, hence Littlepay.”

Aggregating multiple transactions in a day – small-value payments, such as buying a train fare or purchasing a single online magazine article – and

processing them once saves the vendor transaction fees, with software smart enough to accommodate discount rules such as weekly fare caps. Tap-to-ride transit was the first application Littlepay launched.

Within 18 months they found themselves in tech’s feared “Valley of Death”, the time when many startups perish. Shayan says Littlepay had set out to create “a global payments company with an infrastructure that banks would respect”. In doing so, they’d burnt through multiple millions of dollars.

“The investors were a bit unhappy – they couldn’t see a path to us ever making money. They were close to saying they might pull the plug – it was a moment of reckoning.”

When the original CEO left the business, Shayan took “an alternative plan” to the investors and in January 2018 became the new CEO. The pivot strategy was to build cloud-based software-as-a-service payments infrastructure, targeting the niche of public-transit operators. “We redefined our purpose to be about moving more people through better payment experiences.”

This led to a major downsizing. “That was very difficult – I’d never done that and I felt awful about it,” says Shayan. He was conscious that most of the people Littlepay made redundant were senior payments-platforms specialists who’d “left careers in stable multinational companies to take this big leap of faith”. But knowing it was either lose 30 per cent of the staff or 100 per cent steeled his resolve.

“We built momentum and within about six months turned the business around to become cashflow positive,” he says. Today, Littlepay is in 13 countries, including the United Kingdom and the United States, with more than 250 transit operators using the service worldwide.

With its mission to move more people, Littlepay will be working behind the scenes as a payments-services provider for such things as rental scooters and bikes, EV charging and toll roads. “If it’s in that wheelhouse, we’ll consider it. But we’re not going to do retail or restaurants.”

Six years on from those tough calls to save the company, Shayan has advice for anyone in a similar spot. “Don’t slalom around red flags – when you see one you have to pay attention.”

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BACKING YOURSELF

➡ **Natassia Nicolao**
Conserving Beauty

It took two years plus the knowledge from her science degree, experience in developing products for Swisse Wellness and exposure to other startup founders for Natassia Nicolao to formulate her beauty product. It took

two minutes for her then-mentor to tell her it wouldn't go anywhere.

Through COVID lockdowns in Melbourne, Nicolao worked to invent a sustainable make-up wipe that required less water to manufacture and would dissolve in seconds. At the time, she was also head of operations at a private equity fund focused on beauty and wellness, and head of global sales and partnerships for WelleCo, a supplements company founded by Elle Macpherson.

"I used to wake up at 5am and do three hours on my project before my actual day job then finish that at around 5.30pm and work till 11pm pretty much every day as well as every Saturday and Sunday," says Nicolao.

She had a small lab set up at home and access to professional labs through contacts. "Manufacturing was an essential industry and all of the beauty product manufacturers were making hand sanitiser so they'd lend me their lab space out of hours."

As well as developing the actual product, Nicolao was brand planning. That was the point when her mentor broke her heart – and lit a fire. "My mentor was someone I'd worked with in my first job and he told me nobody cared enough about sustainability and I should rethink my positioning of the whole brand," she recalls. "I'd told him the name of the brand – Conserving Beauty – and he said I'd find it really hard to get that into a retailer. I had in my pitch deck that I wanted to be in Mecca and he said, 'Mecca will not get behind this.'"

Rather than fold, the advice propelled Nicolao to ask Mecca herself. "I didn't think I was going to get into Mecca straightaway but I wanted to know if I was on the right track."

After three months of "stalking via LinkedIn" she finally scored an introduction to Mecca's head of buying and took prototypes of her products and a pitch deck to a meeting. Mecca head of new brands Liz McCartan (now head of category for make-up) remembers it vividly. "Natassia was smart, highly energetic and passionate, with a great knowledge of the product and a clear position for the brand."

Mecca said yes. "I loved the simplicity of the range and the face oil tested strongly with our team," says McCartan. "Once the dissolvable make-up wipes and face masks were presented, we knew our customers and team were going to fall in love with Conserving Beauty."

Nicolao recalls that the Mecca team recommended changing her face oil lid colour from black. "They said, 'You don't want to be another black lid on shelves' so I changed to yellow lids immediately. Maybe some people are a bit precious about their brand but I thought, 'They know better than I do, I'm not a packaging expert!'"

Conserving Beauty launched via its own website at the end of 2021, into select Mecca stores and online in April 2022 and at all Space NK stores and online last July. Nicolao now says her former mentor "did me the best favour... It pushed me to go to Mecca early, otherwise I would have waited until a year after launch."

McCartan's tip for hopeful entrepreneurs? "Be open to feedback and digest it in conjunction with your own vision. Some of the best ideas will come from great people who may share a different perspective or experience that will enhance your brand or product." ✨

