

30 Fresh Business Ideas

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Trend: Time-poor consumers need more flexibility around delivery and pick-up times.

Opportunity: Consider starting a 24-hour pick-up or delivery service. Note that Australia Post is testing a new secure 24-hour delivery system from technology company TZ where packages are deposited in intelligent lockers outside post offices and a message containing a secure authorisation code is sent to the registered recipient via SMS or email. The package can be collected from the locker at any time. Amazon is trialling a similar system in 7-Eleven stores across the US.

02

Trend: Angel investors want to reduce the risk exposure and maximise the skills they bring to individual investments.

Opportunity: Consider teaming up with a group of like-minded investors to pool skills and resources. A group of would-be tech angel investors have come together to create the group StartMate. Each year StartMate selects a group of newly formed companies and entrepreneurs to participate in a business incubator program, which includes training, mentoring, networking, legal and accounting support as well as a small injection of cash.

03

Trend: Online retail requires sellers to respond to customer demands and desires rather than manufacturing consent through traditional advertising.

Opportunity: To succeed in online retail, you have to know what the customer wants. Consider using free web-based search tools such as Google Trends and Google Insights for Search to track the most searched for terms and combinations of terms on Google. At furniture retailer Milan Direct, managing director Dean Ramler says: "If we see that people are searching for black wicker furniture, then we go ahead and import black wicker furniture and give customers what they want."

04

Trend: Consumers are flocking to niche e-commerce sites instead of generic sites such as eBay.

Opportunity: *BRW* Entrepreneur of the Year and chief executive of jobs marketplace Freelancer.com, Matt Barrie, says that while eBay and Craigslist are big and broad, sites such as AirBnB (vacation rentals) and Etsy (craft and vintage products) "provide a much deeper and richer experience for users ... Go to Craigslist or eBay and pick off a vertical that no one has done well yet ... they're all ripe for the taking." He adds that "10 years ago there were only 50 million people on the internet and now there are 2 billion. The market is big enough to support these microcosms."

05

Trend: Traditional news outlets operating online need to draw readers behind the paywall. The problem is that readers don't want to pay for content they now get for free and if they do pay, they don't want to see any ads.

Opportunity: Get a sponsor. The chief executive of US digital publisher Say Media, Matt Sanchez, challenges outlets to think more creatively. Why not build up segments of readers, for example chief information officers, whom advertisers can sponsor. "If I hit a pay wall that says, 'It's \$10 a month but you can get in for \$4 a month brought to you by [an advertiser, such as] SAP and then I kept seeing SAP ads, I've made that connection as a consumer," Sanchez says. "I think there are tonnes of opportunities if you start to think in a more segmented way about how you're establishing the value exchange between somebody's time and the content they are reading."

06

Trends: Businesses of all sizes need to increase productivity but in a capital-constrained environment, how do you pay for the software and infrastructure you need to increase output?

Opportunity: Stop paying for software. Rather than struggle with expensive corporate software packages, look for instances where expensive per user licenses can be replaced with free and cloud-based products. Simply replacing Microsoft Outlook with Gmail, or Adobe Acrobat with Nitro PDF, reduces costs per user by \$1000 a year and increases organisational flexibility.

07

Trend: Mobile solutions for a mobile workforce

Opportunity: Many industries rely on mobile sales people who then have to come back to the office to close the deal and do the paperwork. However, the businesses that figure out how to close the deal on the spot will have an advantage. From next year, John McGrath of McGrath Real Estate will arm all of his agents with a tablet computer and the software to enable more of the deal paperwork and administration to be done on-site. He's looking for first-mover advantage and software companies should take note.

08

Trend: Getting your "friends" to buy

Opportunity: No, this isn't about Tupperware parties but rather a dawning realisation by companies that having umpteen thousand "friends" on Facebook or Twitter followers don't mean a thing if they are just browsing and not buying. In 2012, it will be all about conversion rates on the web and companies that can help get "friends" over the line will be in demand. At social media agency Working Three, social media guru and *BRW* columnist Mark Cameron is writing a job description for a role he says will be in demand next year – a social quant. "This is someone who has a bit of understanding about the social web but also is able to analyse data and patterns of behaviour," Cameron says.

09

Trend: Women have to be appointed to listed company boards and if boards can't do it for themselves, they face the threat of legislation.

Opportunity: There is a big market for a savvy recruitment firm that makes finding suitable women for boards their speciality. The Australian Institute of Company Directors reports that the proportion of women on the boards of the S&P/ASX 200 companies has risen from 8.3 per cent in January 2010 to 13 per cent in August 2011. Meanwhile, the influential activist group, Women on Boards, has set a target of 25 per cent for women on the boards of top 200 companies and the federal government wants 40 per cent of government board positions to be held by women by 2015.

10

Trend: Crowdsourcing

Opportunity: The credit scoring of customers may seem integral to a bank's operations and something it would want to model itself. Likewise a healthcare system should want to predict which of its constituents are most likely to get sick so it can allow early intervention to mitigate costly hospital care. Yet these are just two of the functions now being crowdsourced via competitions on kaggle.com, which co-founder Nicholas Gruen claims is "revolutionising the labour market in data mining, forecasting and bioinformatics". In a Kaggle competition, that bank would post "anonymised" information about a pool of its credit card customers and ask Kaggle's 17,000-strong "army of geeks" to identify which ones had become delinquent in the past year, Gruen explains. The bank knows the answers, of course, but the competition-generated algorithm closest to correct can then be used to predict future defaulters. The architects of the winning model are awarded prizemoney by the bank, which Gruen says is likely to be a fraction of the "\$250,000" it would have cost the bank to build the model itself. The winners also gain Kaggle kudos, which might see them recommended by the company for other competitions that clients want limited in scope because of data sensitivity. Kaggle has already hosted 50 competitions, including one sponsored by the NSW Roads and Traffic Authority to more accurately predict travel times and it recently attracted \$US11 million (\$10.7 million) in funding from such luminaries as PayPal founder Max Levchin. Gruen says this illustrates their belief that crowdsourcing "has already reached the top of the skills pyramid and there'll be a mass of companies who recognise they'll end up with a better model for less money by paying for it."

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Trend: The time-poor consumer is finding it harder to do the research needed to make big transactions on such things as cars, houses and other big-ticket items with confidence.

Opportunity: Specialist buyers agents that are prepared to take the research and hassle out of big purchases are in high demand. Buying and selling property and cars are two areas in which buyers' agents are already commonplace but there is no reason this model can't be applied to different industries. Personal shoppers, education consultants and travel consultants are just some great business opportunities that take advantage of a time-poor consumer who needs help sorting the wheat from the chaff. Buyers' agents need to have a specialist understanding of a particular industry and they also need to be able to present the time-poor consumer with a range of reliable, well-researched options to suit their budget. There are opportunities for specialists who are skilled in negotiation, contracts and investment strategy to finalise the purchase and take a healthy cut of the final price.

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Trend: Equities are volatile. Cash has been dethroned. Investors are embracing a new breed of balanced fund.

Opportunity: The 1990s was an easy time for investing. Shares and property values were going up, bonds weren't too bad and the old discipline of asset allocation went out the window as a new breed of consultant took control of the investment industry, putting together share-heavy portfolios where most of the work went into picking large numbers of "sector specialist" fund managers. These multi-manager funds judged themselves on their performance against each other, rather than the money they were putting in investors' pockets, which was fine until late 2007 when the double-digit returns stopped rolling in. "In a world of shorter and more extreme investment cycles, and more negative correlations between equities and bonds, asset allocation is once again critically important," AMP Capital head of investment strategy Shane Oliver says. He thinks more funds now will be managed to meet a pre-determined outcome – say inflation plus 5 per cent for workers approaching retirement, or a 6 per cent income yield for self-funded retirees – and they will do it with a wider range of sources of returns. What's more, investors now realise that dividing up their money between dozens of funds managers is expensive and cumbersome. It's no surprise to David Wright, a director of independent managed fund rating company Zenith, that one of the few actively managed investment products attracting customers at the moment is Schroder Investment Management's Real Return Fund, which aims for 5 per cent above inflation over rolling three-year periods. "The fund has nine different asset classes but it's all run by one bunch of guys – they can co-ordinate the asset allocation strategy really easily and make tilts fast if they need to by using derivatives," he says.

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Trend: Anti-capitalist sentiment is making inroads into mainstream youth culture, with the Occupy Wall Street protests and well-supported copycat events around the world.

Opportunity: The "Occupy Wall Street" slogan has become valuable property and costly disputes concerning its ownership have taken place in US courts. The best way to tap into the anti-establishment sentiment is by building counter-culture brands. The key is to act decisively when opportunities arise. Cyber squatters in the US have already tried to sell the occupy.com domain name for \$US150,000-plus.

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Trend: Many people dream of working in professional sport and are happy to pay big sums to try to make that a reality.

Opportunity: Rather than try to compete in hot bed industries, find ways to service those who are trying to break in. The education market for professional sports managers is in its infancy. Create specialist educational opportunities for those who want to manage players, clubs, sponsorship arrangements and stadiums.

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Trend: Indonesia is defying poor conditions worldwide to post strong economic growth. In the 12 months to September, its gross domestic product rose 6.5 per cent. In Australia, GDP growth is expected to be 1.5 per cent.

Opportunity: Forget China and India. Australian businesses are uniquely placed to capitalise on Indonesia's economic growth. Its government wants foreign investment and its quick action following the global financial crisis increased confidence in its macro-economic policies. Plenty of opportunities remain; consumption in Indonesia, which has about 250 million people, accounts for about 60 per cent of GDP while in Australia it is closer to 70 per cent.

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Trend: The future of work is in a state of flux. Whatever's going on in the economy – boom or bust, or a bit of both – attracting and retaining skilled staff is a big challenge.

Opportunity: Employers that offer more of the same are not going to attract – much less retain – the skilled people they need for their businesses to prosper. Changing demographics and lifestyle priorities means there's a talent pool waiting to be tapped into: ageing baby boomers who want to ease out of full-time work rather than get out altogether; mothers with successful careers behind them who no longer wish to re-enter the rat race of full-time work and career chasing; and Gen Ys who have better things to do. Employers who adapt their business models to the evolving nature of work, including the creation of more flexible workplaces, are more likely to attract and retain talented employees who are playing hard to get.

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Trend: After-hours shopping. Customers love shopping online because they can do it any time.

Opportunities: Most bricks and mortar retailers have been slow picking up the preference for any-time shopping but some are starting to click. Coles and Woolworths are planning to allow customers to shop online and then pick up their goods from a convenient spot, such as a Coles Express supermarket or petrol station. The “servo” could become the new collection point for a variety of online purchases, from food to clothing and packages too big for the letterbox. Small retailers could change their hours to meet the times consumers want to shop.

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Trend: Voice recognition technology goes mainstream.

Opportunity: All those moments when people can't type but want to be productive, are the basis of a new market. With Apple's iPhone 4S and its voice recognition “assistant”, some are predicting the technology may become widely used. “It's huge in terms of productivity,” Amantha Imber, the founder of creativity and innovation company Inventium, says. She sees the take-up of voice recognition technology as a chance to have “technology work for us rather than being limited by technology”.

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Trend: Convergence of online and traditional retailing.

Opportunity: The future of retailing is not one or the other, it is a mix of both. Bricks and mortar retailers can bring online into their stores and neutralise some of the online advantage. At the Massachusetts Institute of Technology, researchers are working on “fluid interfaces”. A customer picks up a product, the benchtop senses that movement and provides some product information instantly on the bench or on a glass display case. Customers use the display like a touch pad, searching for more technical specs, a range of colours, similar products and comparing prices. They call a shop assistant when they are ready, or chat with online assistants. It's a sign of how traditional retailers could use technology to improve customer service. The possibilities are endless, such as scanning tags as customers enter fitting rooms and displaying suggested outfits, or matching accessories. Mobile app StylishGirl, a “style planner”, is moving in this direction in the clothing category.

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Trend: At universities, colleges and schools around the world, the demand for electronic education is overwhelming.

Opportunity: As institutions move from paper-based systems to electronic workflows there is an opportunity for businesses to develop tools to support them. The managing director at ReMarksPDF, Stephen Colbran, says there is a market for software that enables the submission, allocation, marking, moderation, distribution, benchmarking and archiving of work.

Software that helps institutions engage with their students and provide feedback electronically will also be valuable. “Enhanced student engagement via an electronically system leads to increased student satisfaction, retention and competitiveness,” Colbran says.

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Trend: Corporate sustainability.

Opportunity: In 1995, companies contributed \$639 billion to socially responsible investment. According to the Forum for Sustainable and Responsible Investment, by 2010 that figure had grown to \$3.07 trillion. Sustainability – where financial and non-financial performance is measured – is now a legitimate goal for business. The opportunity is in providing companies with sustainable solutions to meet their commercial goals. The managing director of Interactive Investor, Susan Werkner, says there is growing demand for “green reports”, an electronic alternative to physical annual reports. “The use of online forms and reports rather than printed versions supports organisational sustainability goals by minimising their carbon footprint and sending a strong and positive message to stakeholders,” Werkner says.

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Trend: Tapping into people power

Opportunity: The impact of the internet continues to ripple out, with online retailer Ruslan Kogan predicting it will bring about a paradigm shift in the delivery and transport industries. He points to uber – an app in the US that allows people to post where they want to go and for cars registered with uber to transport them for a fee. An uber driver may be anyone who has a car that is going in that direction or willing to drive in that direction for a fee. Uber takes a cut of the fee. “This sort of business model could work anywhere,” predicts Kogan. “For example, you can spend millions on mystery shoppers to make sure your stores are doing the right thing. Instead you could post jobs up on an app – say to pay someone \$5 to take a photo of shop front to check the promotional

material is correct, or to walk into a store and buy a size 18 dress and report back on how they are treated.”

What’s exciting for his business is tapping into empty car boots as a way of delivering goods. “Right now there are 10,000 cars driving from Melbourne to Sydney with a half-empty boot – that’s an inefficiency opportunity – we could have a Kogan 32 inch TV in each of those boots for half the price that Toll could [deliver it]. Anyone with a car could become a courier.”

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Trend: Printing is no longer confined to a page; 3D printing enables fully fledged shaped objects to be produced from a printer.

Opportunity: If you haven’t seen 3D printing in action, you need to check out some videos online to truly understand how revolutionary this is for manufacturing. Basically a printer “prints” thin layers of an item over and over until it physically creates the item in 3D. There are applications in many areas of manufacturing, from jewellery to industrial parts. Businesses can more quickly and easily print ideas to see how they would look in three dimensions. One area set for a shakeout could be hand-made architectural models. Scott Thompson, director of Any Dimension, which makes 3D files into architectural models, says his company can produce models 30 to 40 per cent more cheaply than those that are hand made in one-quarter of the time.

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Trend: A need for better risk analysis.

Opportunity: The flaws in the analysis of risk and financial information has been exposed by the global financial crisis. Many financial institutions are trying to find better ways to analyse risk that would work better in extreme conditions. There is also a desire to diversify away from the heavy dependence on traditional institutions such as ratings agencies. The field is open for new methods of risk analysis that will satisfy cautious investors and allow them to correctly allocate capital. Graham Andersen, founder of Mortgij Analytics says he is developing a business that will assess mortgages on bank balance sheets “for the purposes of the Basel 2 methodology. I can say that [using our approach] a lot less capital needs to be allocated to low-risk mortgages and a lot more capital needs to be allocated to high-risk mortgages.”

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Trend: In many service industries, there is a growing emphasis on customised “experiences” rather than the actual product being sold.

Opportunity. People want experiences and industries that can respond to this could cash in. Take the entertainment services industry, for example, where there is a surplus of generic product. Nick Yates, the founder of Wacky Entertainment, has developed a business providing customised brass and percussion music. “We deliver themed experiences,” he says. “We have specially made costumes for the tennis, the racing events, we dress up as jockeys, and the AFL. It is a mixture of costume, music and interaction.”

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Trend: Collaborative consumption.

Opportunity: Everybody has assets they don’t use all the time – increasingly businesses are looking to help connect them with others that might. Airbnb is one: a “community marketplace” that lets people book to stay in others’ properties. It picks up from classified adverts and takes that concept further, putting people in touch with each other and letting former guests and hosts post reviews. “It is that sense of community that helps build the trust for the transaction that’s about to take place,” says Amantha Imber, founder of creativity and innovation company Inventium.

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Trend: Personalised products. From medicine to media, from flowers to facials, consumers want the products they buy to be personalised.

Opportunity: Individualising existing products, media aggregators, such as Pulse, pull together stories on a theme chosen by users. Elsewhere, marketing messages are being pushed to consumers when they are close to retail outlets. There is a growing market for apps that help companies reach their consumers with personalised offers at the right time and place. Feeders of this “app-etite” include Roamz and Foursquare, which tell users about activities nearby that might interest them, from the specials at the flower shop they are walking past to the community fair in the next street.

28.

Trend: The consumerisation of technology means that consumers are driving IT decisions at home and at work. It used to be that the chief information officer made the decisions about what types of hardware workers would be using. These days, however, CIOs are having to respond to people bringing their own hardware – a smart phone or tablet – into the office. Workers now expect companies to adapt to their hardware decisions – witness how Apple products are moving over from the personal space into the workspace.

Opportunity: Any product or service that focuses on domestic consumption could look to see if its tide of devotees at home could get it into the office. The eventual aim would be to come to the attention of the chief executive as a potential business purchase.

29.

Trend: Social media gets serious.

Opportunity: Sites such as Facebook are redoubling their efforts to appeal to business as their growth rate matures. The head of Facebook in Australia, Paul Borrud, has been beating a path to media agency doors, clutching Nielsen research that found “social context” in advertising, such as when a friend’s name appears in the ad, increases recall 68 per cent and quadruples the chance of a purchase. Keen to shake off its image as a playful poke-fest, Facebook is also integrating itself into the payments system. Facebook friends can now pay each other money directly via Commonwealth Bank’s Ka-ching smartphone app, which also allows your phone to be “tapped” like a credit card at any point-of-sale terminal that accepts MasterCard Paypass technology.

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Trend: Australia is a tributary state of China from an economic perspective, so it’s good to have a foothold in the 1.3 billion-person market upstream. However, traditional western marketing has almost always resulted in failure.

Opportunity: Understand how the media streams in China actually work. Mainstream media dissemination is increasingly through radio and the blogosphere. From man bags and make-up for men to exotic chocolates and wines, the 800 million internet connections in China are increasingly tuned in to what’s on offer to enhance their growing purchasing power. But remember what works for Shanghai may not suit Beijing. It’s a continental market, so target cities as specific markets to gain that foothold.

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