

Media Release

Friday 26 October 2007

IT companies and telcos lead fastest-growing companies

It has been a blockbuster year for Australia's small to medium information technology companies, which account for five of the 10 fastest growing companies on this year's BRW Fast 100 list.

Companies involved in property and construction are the next most successful sectors and despite the boom in the resources sector, mining and mining services companies are lagging way behind the leaders.

BDO Kendalls' national managing director Vin Brown said while Australia is seemingly in an endless boom period and certain sectors are leading the way, businesses experiencing strong growth on the BRW Fast 100 list did not necessarily correlate with these sectors.

"While mining as a sector is achieving huge growth, the maturity that already exists within that sector means that it is harder for organisations to achieve the type of growth experienced by those listed on the BRW Fast 100," he said.

As an example of the type of growth this year's list demonstrates, ACT-based medical services company Aspen Medical heads the BRW Fast 100 list with a growth rate of more than 357 per cent in the last financial year.

The company's turnover has more than doubled from \$19.4 million in 2005-06 to more than \$44 million this year.

The company provides health-care services to remote areas and overstretched health-care facilities, mainly overseas.

"This growth is phenomenal and in any mature organisation is extremely hard to replicate without exceptional circumstances," Mr Brown said.

"What this year's list does show is that the information technology sector is still ripe for growth and the spurning of ever new ventures.

"Fifty per cent of the top 10 on this year's list were in the IT sector all with annual growth rates of 197.5 per cent.

"What is interesting about this is the services many of them provide are around helping organisations to achieve their desired growth and deal with their people issues.

“Victorian IT company Itcom Australia came in second with a growth rate of more than 280 per cent on revenue of \$4.8 million for the past year.

“Their core business is around recruitment for this sector. So not only are they driving Australia’s growth they are also providing a service to other organisations to deal with resourcing issues.”

New South Wales-based IT services company Brennan Software Development rounds out the top five, with growth of 197.5 per cent.

“And while these organisations are helping others to achieve their growth their own success hasn’t been without hurdles,” Vin Brown said.

The 100 fastest-growing companies battled skills shortages, a restrictive investment capital environment, increased red tape and compliance costs, and onerous taxation regimes to produce a collective turnover of \$1.68 billion.

“It is no surprise that hiring and keeping quality staff will be the biggest challenge for these organisations next year,” Mr Brown said.

“This is closely followed by continual challenges to growth and concerns about finding the funds to expand,” he said.

The companies have a number of things in common which contribute to their success the most important being the development of a clear organisational culture and the ability of the owner-entrepreneurs to impart shared values and beliefs to their staff.

“Motivating and challenging staff is a critical ingredient of success,” Mr Brown said.

“The chief executives of these companies go to extraordinary lengths to foster a culture that will ensure sustainable growth.”

New South Wales has 37 companies on the list, Victoria 26, Western Australia seven, South Australia three, and the ACT and Tasmania have one each.

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