

Smart Talk

Insights from
entrepreneurs

Smart Talk is a weekly column by successful entrepreneurs about their daily challenges. This week Michael Sherlock, Brumby's Bakeries founder and co-author of growth strategy book *Jumpshift!*, talks about the need to recognise and take advantage of the boom.

● In the land of opportunity, harvest time is now.

I was in Perth recently for a weekend to catch up with some former Brumby's colleagues and do a spot of fishing in that beautiful part of the world. As we headed out to Rottnest Island, I was struck by the relatively small size of Perth CBD – the skyline of North Sydney seemed larger. This reinforced the fact that Perth is one of the most isolated cities in the world, without the depth of population to support the mining boom.

When we anchored at Marjorie Bay, I was amazed by the number of magnificent luxury boats tied up. The boat we were on was worth about \$1.4 million, whereas the value of a lot of the others started at \$5 million. I was informed that, since the downturn in the United Arab Emirates, Perth is now one of the top spots in the world for the purchase and resale of luxury boats.

This is all down to the mining boom under way in Western Australia. The amount of gas to be developed in north-western WA is equivalent to 100 years worth of the energy that comes out of Saudi Arabia, without even considering the mineral wealth.

On Monday night, I stayed in Perth's CBD so I could attend some meetings. It was difficult to find a hotel room and the rates were more than twice the Sydney rate for an equivalent room.

We had to book well ahead to get a cab the next day. In chatting to the cab driver, he informed us that we were lucky to get a taxi and it was quite common for people to miss their flights.

Cab drivers can get five times the taxi wage driving a truck in the mines. Many cabbies have taken off to the mining towns to make their fortunes, so the cabs are now driven by new arrivals from "over east" and there aren't enough of those to meet demand. The WA government has had to change the regulations to lower the residential qualification for cab drivers.

At the airport lounge, the people wearing luminous vests outnumbered the usual large number of "suits" by a huge margin. Flights were taking off every hour, presumably to mining towns I had

never heard of, full of FIFOs – fly in, fly out. In the crowded lounge I overheard some of the conversations. There were lots of Brits, Kiwis and retirees who had re-entered the workforce to take advantage of the boom and the accompanying salaries. One Kiwi I spoke to spends two weeks working in the mines and two weeks living in Bali, which is far cheaper than returning home or renting a flat in Perth. Bali is less than three hours from Perth.

On the flight back to Brisbane, I watched Woody Allen's *Midnight in Paris*, which has as its central theme the idea that the best opportunities in one's life exist right now, despite sentimental reflections on past golden eras.

Due to international economic woes there is a lot of doom and gloom, so you can either wait it out until the gloom of uncertainty ends or you can start now on the new golden era. You need to identify those opportunities that suit your skill set and take advantage of them.

I observed at Brisbane airport a similar high quota of high-visibility dress. Queensland is a few years behind what is happening in WA but has just as much, if not more, potential. The real skill is to identify the opportunities that are here in abundance before they are exploited.

The most obvious opportunities are in recruitment, the sale of luxury "toys" to the new rich, airport transfers, accommodation, etc; while for the FIFOs opportunities exist in entertainment, fitness, gourmet food and focused retail.

What are the gaps you can identify? Like Woody Allen's main character, take advantage of the opportunities. You have to be here now, in the moment, and see what is going on around you. Many will seize the opportunities but most will see them retrospectively, too late.

The new towns and infrastructure that will be built to support the once-in-a-hundred-years mining boom represent opportunities for entrepreneurs to supply products and services to meet miners' consumer needs, even if they are FIFOs.

A bizarre example was published recently in the *West Australian* newspaper; prostitutes apparently are waiting in the Perth domestic terminal and offering their services to the miners as they return from their two-week shifts.

Seize the moment, go for it now!

Next week: Aegis Media Pacific executive chairman Harold Mitchell



You can either wait it out until the gloom ends or you can start now on the new golden era

