

Need staff? Ask the ones you have

Networking has proved a valuable human resources solution for a software company in need of staff, writes **Mark Fenton-Jones**.

Small business operators do not need to be reminded they face a skills shortage. It's a refrain that has been consistently heard from the sector for the past few years.

More recently, the problem was brought into sharp relief by the Sensis quarterly business index which since 1993 has taken a close look at what's worrying small businesses.

"Difficulties finding and keeping staff increased further in the past quarter continuing to be the most pressing concern faced by SMEs [small to medium-size enterprises] nationally," says the report's author Christena Singh.

To emphasise the point she observes that the skills shortage problem from the small business perspective is at the highest level recorded since 1993.

For the head of iCare Solutions, a Melbourne-based software company with 30 staff, the problem is not insurmountable.

"It's a tough market for recruiting people but we ask our staff to look into their own networks of people for possible recruits," says managing director Chris Gray.

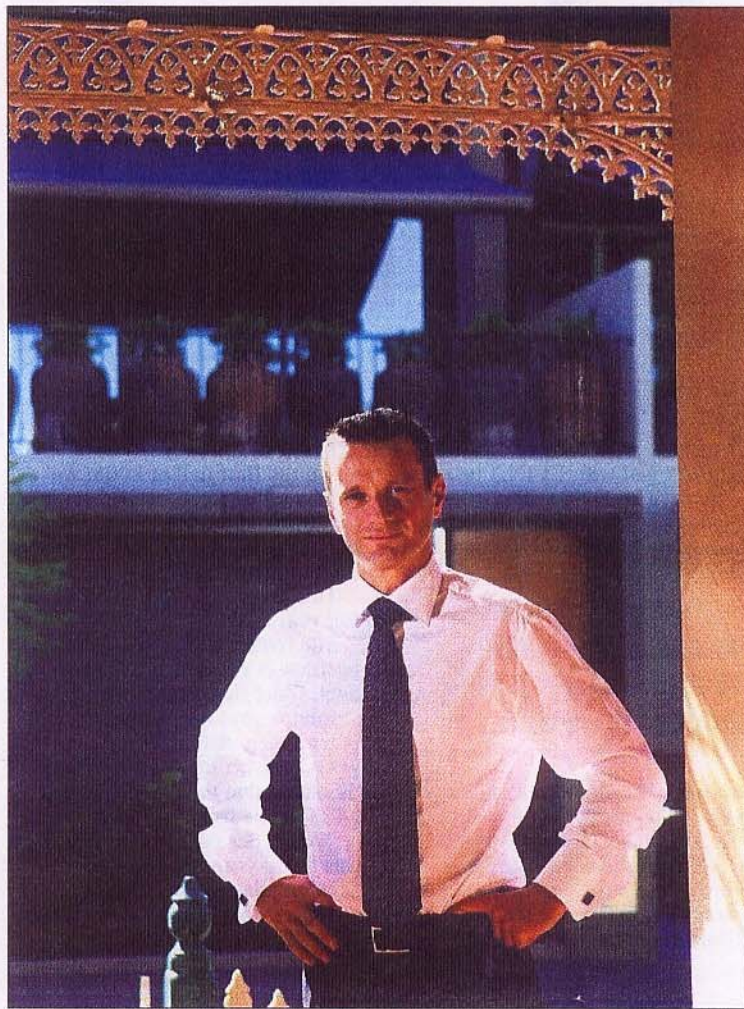
"If you're trusting people in the organisation to grow the business, then they'll recommend people into the business who have the same capabilities as they have."

From January 1 this year, Gray introduced a policy place that provides an employee referral bonus as well.

"People who recommend people are going to work with that person to make them feel welcome and help them develop quickly and get their skills up very quickly," says Gray, adding that two staff have received bonuses.

iCare provides software to the aged-care industry which automates all clinical care requirements as well as managerial, administrative and compliance procedures and documentation within aged-care facilities.

The company depends heavily on



Chris Gray . . . 'we ask staff to look into their own networks'. Photo James Davies

staff who travel around the country training aged-care staff. It has about 200 customers representing 30,000 beds licensed for iCare's software and a further 18,000 beds being implemented. The total number of aged-care beds in Australia is about 220,000.

"We're heading for around \$6 million this year as turnover and looking to double the business next year," Gray says.

The blueprint for using internal referrals was cast unofficially in 2004 when Gray put forward Peter Maloney, a former D&B director, to Rohan Vendy as the person to commercialise the product.

Two years earlier Gray, then director marketing at Dun & Bradstreet, got involved with iCare when he helped Vendy, a friend from his university days who was working on a business plan for the developers of the technology that eventually underpinned the

automated aged-care management system. The technology had emerged from five years of research on a multi-discipline care-planning algorithm by Bill Koch, a senior lecturer in geriatrics at Latrobe University.

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Backed by seed money from Tasmanian incubator In-tellinc, Vendy headed up a separate company, iCare, with some of his money and some small investors, running pilot programs in 2002 and 2003, before undertaking a \$700,000 capital raising that would expand the shareholder base and begin full commercialisation of the product.

"The capital raising was to enable the business to take a leadership position in the market place. There were a couple of competitors emerging and the strategy was to become the number one player very, very quickly and pick up the larger customers who were looking to go with the clinical and care system," Gray says.

After Maloney joined as chief operations officer, he recruited iCare's first trainer, a registered nurse, and the referrals snowballed. The nurse recommended her physiotherapist as the second trainer, who in turn recommended a podiatrist as the third trainer, who brought in another podiatrist.

"So we've really used our networks to attract people who have the same values that fit into our culture," says Gray, adding that more than 56 per cent of staff have been sourced from internal recommendations.

The company's aim is to transform the largely inefficient, paper-based aged-care industry into one which is technologically competent in line with modern day business practices. Over 60 per cent of the industry uses manual administration techniques.

The company grew quickly – it was the second fastest growing software company in Australia in the 2007 Deloitte Technology Fast 50 – and Gray joined as managing director in 2007 while Vendy moved to the UK with his family in September to set up a subsidiary there. He also appointed James Groom, whom he had known for several years, as chairman.

The company was restructured that year with Vendy, Gray, Maloney and MYOB chief Simon Martin holding 57 per cent, two other related parties holding 15 per cent, In-tellinc 16 per cent and the rest by small shareholders.

The restructuring was to allow some original shareholders to exit as the company was going into the UK and about \$1 million would be needed to set up a UK pilot.

Last year, iCare launched its Aged Care Funding Instrument software module ahead of the new federal government funding regulation coming into play.