



FINGER ON PULSE: Citadel Group managing director Miles Jakeman.

Canberra firm on fast track to the top

By John Thistleton

Doing business with the Australian Government may not be as straightforward as it seems, according to one of Canberra's fastest growing organisations.

Citadel Group, a group of business services companies with an annual turnover of \$65 million, has finished 20th in the *BRW's* Fast 100 list for the third successive year.

Citadel expects turnover to top \$100 million in coming years and is one of three ACT businesses in *BRW's* latest list. But the territory also is a stand-out in the Australian Bureau of Statistics figures for business exit rates.

In the year ended June 2009, the ACT recorded the second-highest business exit rates in Australia, with 16.8 per cent, behind the Northern Territory on 17.08 per cent. During that financial year, the ACT recorded 3616 new businesses and 4181 exits.

Citadel Group's managing director Miles Jakeman said business failures were often caused by a lack of understanding of how the Commonwealth does business.

"There are a lot of start-ups in Canberra, because barriers to entry are quite low. A human resources person can step out of a department and begin a HR company quickly.

"But the government market is particularly fussy and has a slow sales cycle, so you have to understand how they work.

"A lot of start-ups just don't have the cash flow to sustain them until they win a big contract."

Dr Jakeman said consolidation and organic growth had enabled Citadel to grow market share while other businesses fell behind or closed.

He said Citadel's eight years of triple- or double-digit growth was helped by having a recruitment company in its stable of enterprises, and paying above-average wages.

AussieHQ, a web hosting company founded by Michael McGoogan when he was in his late teens, came 38th in the *BRW* Fast 100 list.

Chief marketing officer Steven De Costa said two acquisitions in the last six months, strong organic growth and providing enterprise services to government helped achieve the result.

The recent Murray-Darling Basin Authority Basin Plan was hosted and delivered nationally from AussieHQ's platform.

AussieHQ chairman Mark McConnell, who has been in *BRW's* young rich list since 2004, said the company had targeted the high end of Commonwealth Government accounts, including Defence, even though this was a tough market.

Canberra-based software developer Intelledox Pty was ranked 83rd on the 2010 list.

Intelledox is a document creation solution, specifically addressing content chaos caused by a lack of a structured and centralised approach to document generation.