



Department of Regional Development

NON PLACE BASED OPPORTUNITIES

The opportunity space

Survey of 1000 regions SMEs

- 42% operate state wide
- 22% had a national focus
- 19% dealt internationally

58% of regional SME obtain more than 25% of their costs of production from outside their local area



The opportunity space

20% of SME were sole traders

- Over half having less than 4 employees

46% of sole traders do business from home

25% of business identified information and communications technology as the key area where their business required support



The opportunity space

Less than 15% were looking to leave

– A lack of prospects and high supply costs

Quality of life

- Happiness (8.1)
- Connectedness (7.5)
- Safety (8.2)
- Lifestyle (8.2)
- Health and wellbeing (7.3)



What is a non placed based business?

Mobility of production

Remoteness of operations

Online sales options



A mobile workforce

37 percent of the global workforce will be mobile by 2015 (IDC (2014) *The rise of mobility*)

Not about letting you staff work from home

– 15% of regional SMEs



Regional business are on the internet

Nationally, 46 percent of regional SMEs

- 54 percent in metropolitan areas (Australian Communications and Media Authority 2014)

In Western Australia

- Less than 1% did not had access to the internet.
 - 65% had broadband.
- 70% had a web presence
- 51% were on Facebook or Twitter

Regional business are on the internet

75% used the internet for banking

62% saw the internet as very important to their supply chain

- No real difference based on the size of the SME



Industry views of the importance of the internet to supply

	Very	Somewhat	Not
Education	82	5	14
Information and media	76	24	0
Wholesale trade	71	29	0
Professional services	64	25	11
Retail	61	27	12
Manufacturing	57	36	7
Arts	56	44	0
Health care	31	36	32

The challenge space

14% saw the internet as not important to their selling of products or the provision of services

Only 26% took orders over the internet

Just 9% allowed payment over the internet



Non placed based business

Mobility of production

Remoteness of operations

Online sales options



The production opportunity

Mobility of production

Global markets increasingly require more mobile and flexible workforces which are connected and can respond immediately to need.

Huggins, R. (2011) The Growth of Knowledge-Intensive Business Services: Innovation, Markets and Networks. *European Planning Studies*, 19, 8, Aug, 1459-1480



The production opportunity

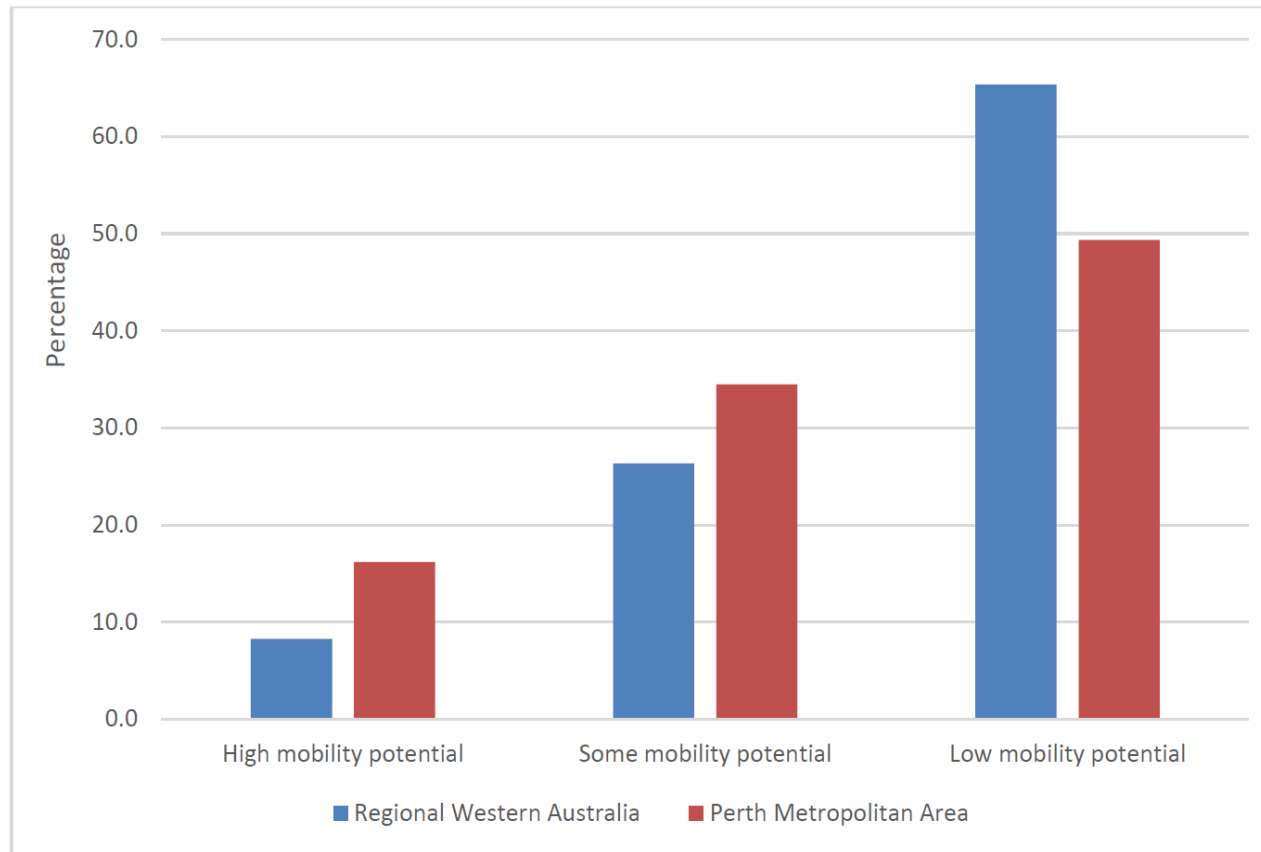
Mobility of production

What does this mean?

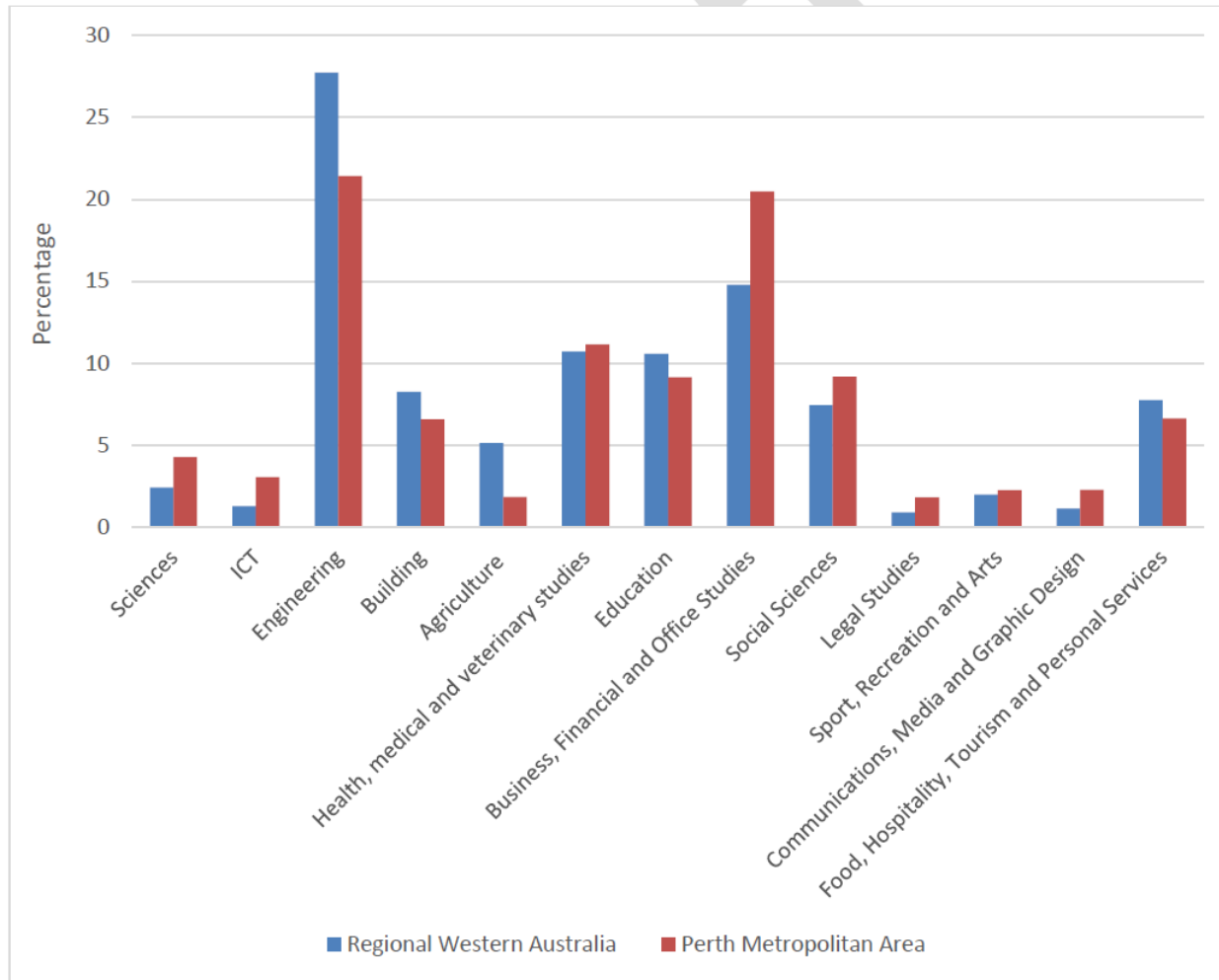
- Flexible working arrangements
- Satellite workers
- Satellite services

The production limitation

Distribution of employment by occupations with mobility potential



Field of study – residents WA



The production challenge

Case Study

Market Creations

- Full service marketing and technology agency
 - 30 plus staff
 - graphic design, web development, social media, marketing, advertising, publications, online directories and information technology
- Backup and recovery services

The operations opportunity

Remote operations

What does this mean?

- Remote monitoring of wells



The operations opportunity

Remote operations

- Ron Finemore Transport has an operations centre in Wodonga in Victoria, which manages a national fleet linked by GPS vehicle monitoring systems
- Egg production and serum manufacturing facilities in Murrindindi Shire in Victoria are maintained remotely from Sweden
- Broadcast Australia's network operations centre in Sydney which manages over 580 unmanned telecommunications sites in Australia

The operations limitation

Broadband

- 65% have access to broadband

Support services

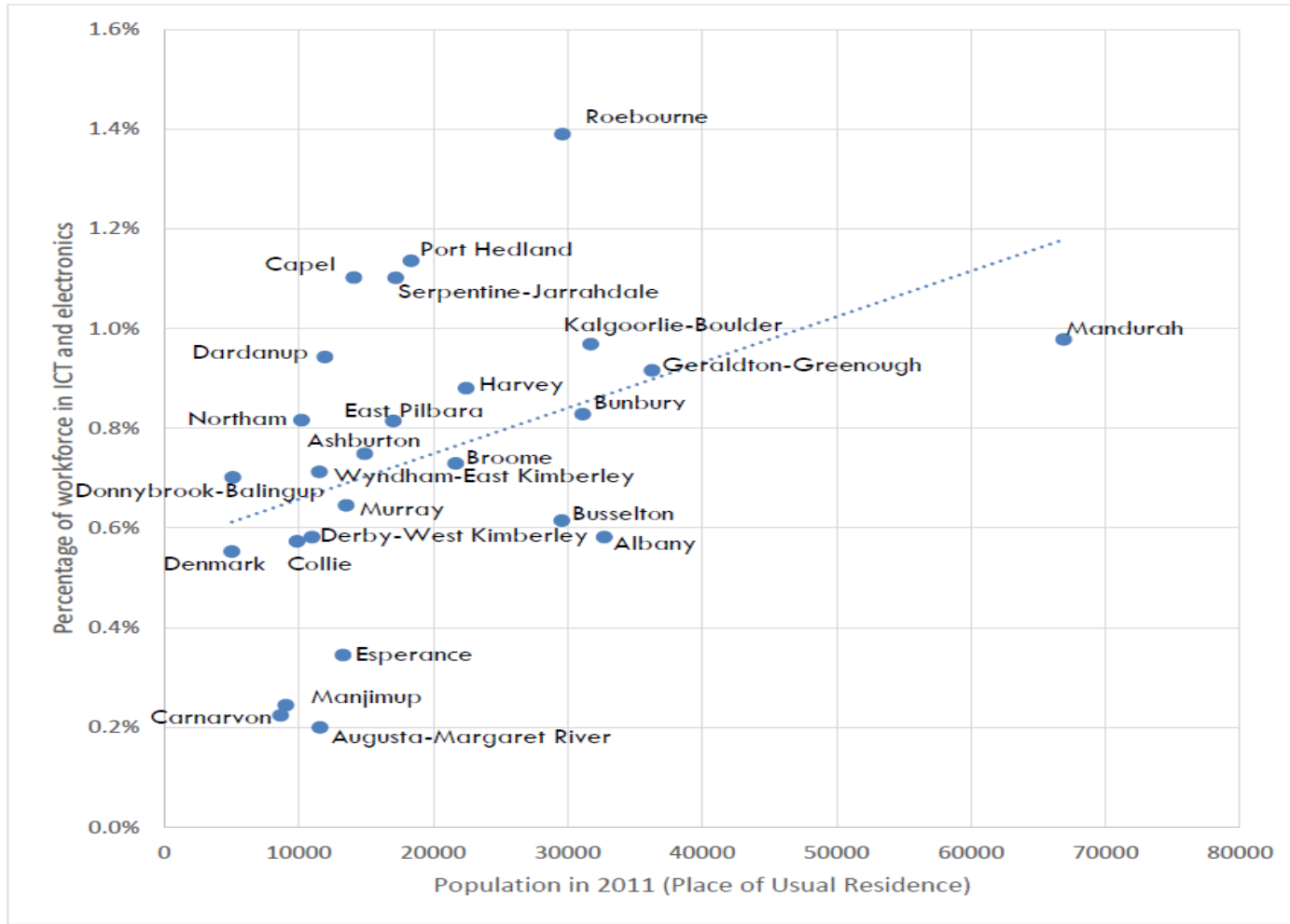
Critical mass



Support services

<i>RDA name</i>	<i>LGA name</i>	<i>Broadband connections for household and business</i>	<i>Businesses in technology related industry</i>	<i>Workers in ICT and electronics</i>
Pilbara	Ashburton	78.4%	2.8%	0.7%
Pilbara	Roebourne (Karratha)	77.6%	4.1%	1.4%
Wheatbelt	Chittering	76.3%	4.4%	1.0%
Southwest	Capel	75.9%	4.6%	1.1%
Peel	Serpentine-Jarrahdale	75.5%	5.2%	1.1%
Southwest	Dardanup	73.1%	4.0%	0.9%
Great Southern	Kent	73.0%	0.0%	0.0%
Wheatbelt	Narrogin	72.8%	4.8%	0.0%
Pilbara	Port Hedland	70.8%	2.7%	1.1%
Wheatbelt	Wandering	70.7%	0.0%	0.0%

Critical mass - ICT workfroe capacity in LGA with populations above 5000



The operations challenge

- Rio Tinto - directs activity over 1,500 kilometres away including remote controlled haul trucks, drills, driverless trains
- Hancock Prospecting controls Pilbara mining, processing, rail and port operations
- BHP controls processing and driverless trucks through its Integrated Remote Operations Centre

The customer opportunity

Online sales

23-30% growth

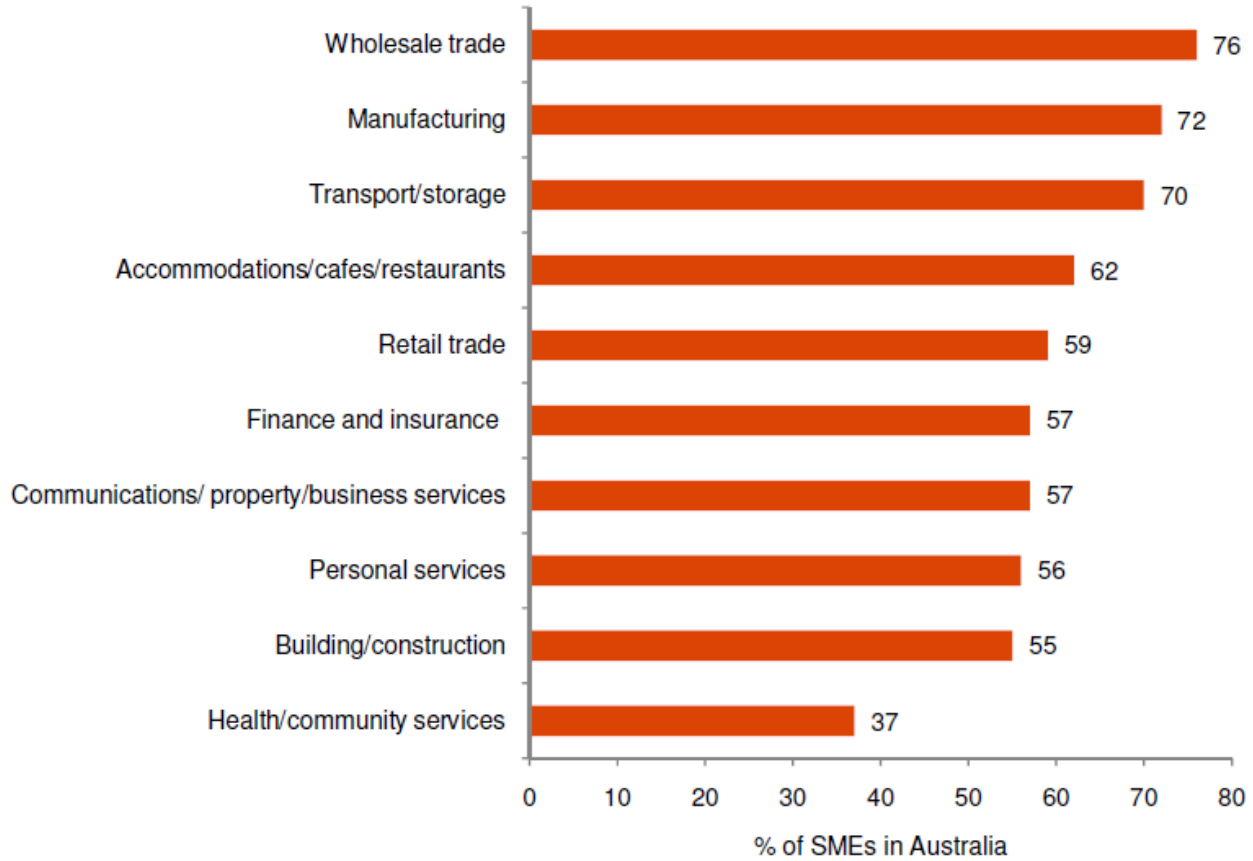
5-7% of the market

26% take order over the net compared to 60%

9% have the provision for sales



Figure 2 Australian SMEs taking orders for goods and services online, by industry sector, April 2011

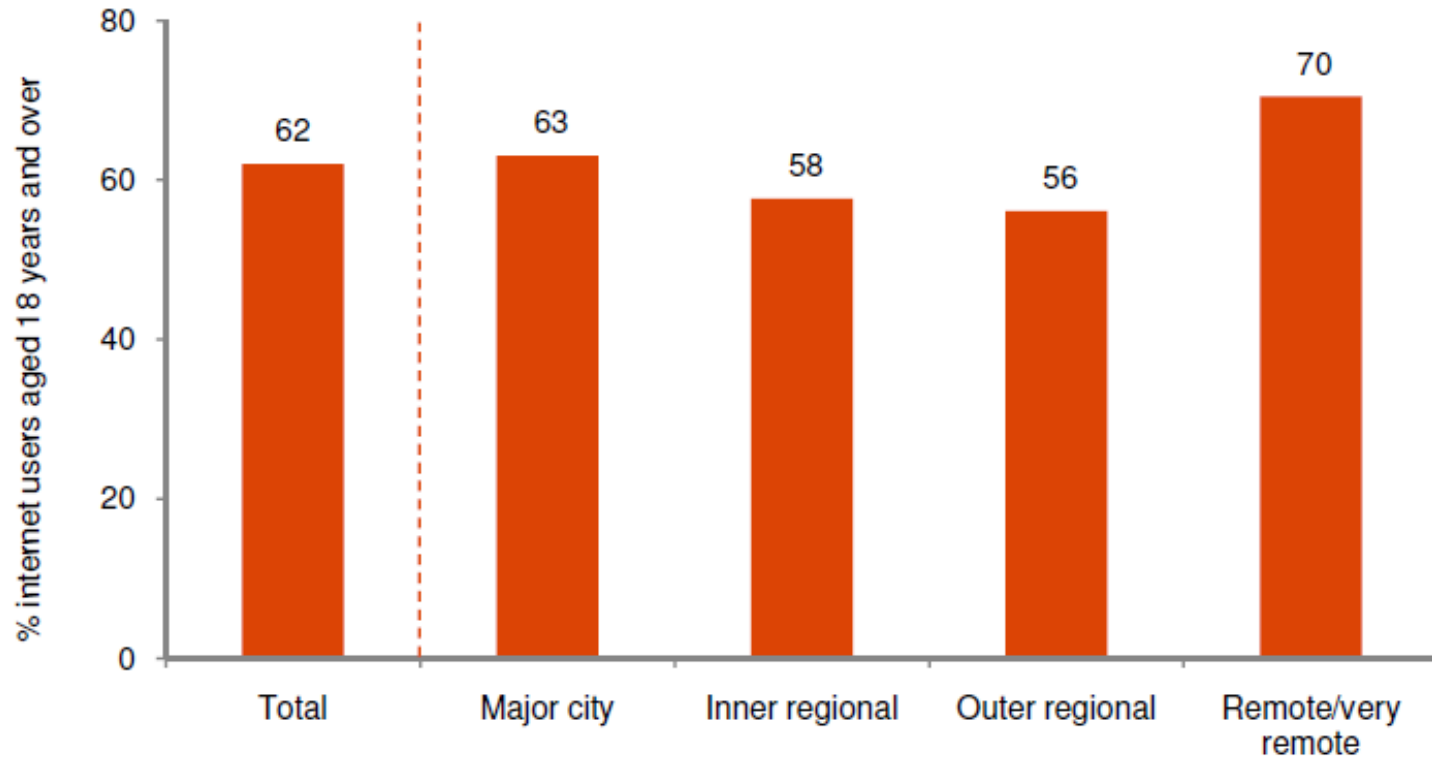


Note: Survey conducted in April 2011.

Source: Sensis, The Online Experience of Small and Medium Enterprises 2011, October 2011.

ACMA-commissioned survey April 2011

Figure 7 Purchase of goods and services online in the last six months to April 2011, by location



The end

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