

## No cash for home-town heroes

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JULY 04, 2006

AUSTRALIAN innovators say they are suffering from the Nazareth Syndrome. Like Jesus Christ, who couldn't cut a break in his home town, they have to go overseas to win recognition.

Luceille Outhred, chief executive of Digislide, creator of the first mobile phone projector, says she had to leave South Australia to get the attention of media and her first shot of venture capital.

Last year, after attending the ANZA Technology Network conference in Silicon Valley she won the hottest technology award and was flooded with requests for media interviews in the US and Europe.



Ironically, her company featured in the *Wall Street Journal* before finding a place between the covers of her local paper (the *Adelaide Advertiser*).

**Better advice:** Viki Forrest, left, and Luceille Outhred, who succeeded only after she left her home state of South Australia Picture: Sam Mooy

For seed funding she had to look to the Australian Distributed Incubator in Sydney, after being shown the door by her local BITS fund administrator, Playford Capital. "Playford didn't see the potential, yet Guidewire, which is a leading technology analyst, called us a Top 100 global innovator and indicated we're entering a \$US100 billion (\$137 billion) market," Outhred says.

Digislide is now in discussions with venture capitalists in San Francisco, Minnesota, Britain, Israel and China.

Companies such as Samsung, LG Electronics, Hutchison 3 in Italy, Microsoft, Apple and Nokia are looking at the technology, which analysts say will do for mobile presentations what camera phones have done for digital photography.

Outhred and other ANZAtech graduates shared their Nazareth stories at an Adelaide event held to rally the troops for ANZAtech 2006 in October.

In the Chairs, music rehearsal software, has been backed by a New Zealand investor to the tune of \$500,000, having also failed to impress Adelaide venture funds.

Likewise, search engine optimisation firm YourAmigo is thriving offshore, with offices in California, New York and London, after a rocky start locally.

ANZAtech chief executive Viki Forrest says the Nazareth Syndrome may account for the fact that successful Australian commercialisation is low, relative to the investment in research and development.

She says Australian companies tend to be under-supported and under-prepared. They aren't getting the right advice domestically, which results in a total lack of understanding of the US market.

"They're typically undercapitalised and, the greatest obstacle in my opinion is that they underestimate the importance of personal networks, she says.

Without them you are doomed to failure in the US. She says 80 per cent of ANZA graduates succeed in penetrating the US as a springboard to global markets, often because of the selection and training process for delegates, and the mentoring and proactive networking that occurs during and after the conference.

"I'm not surprised that Australian innovators feel they are treated better overseas

than they are at home," Forrest says.

"US corporations are happy to work with small, innovative companies because they have a level of focus the larger players can't hope for."

*The Australian*

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