­­

# Australian Business Growth Fund Bill 2019: Submission

Irelya Consulting welcomes the opportunity to provide feedback and inputs to this draft Bill.

Irelya Consulting’s mission is to help Australia become the “clever country,” a global leader in innovation, by unlocking the potential of Australia’s research to make a difference economically, socially, and environmentally. Irelya Consulting’s Principal, Jonathan Lacey, has been involved in innovation for three decades, as a researcher and inventor, product champion, investor, entrepreneur, IP licensor and partnership creator, trainer, coach and mentor; in Australia and during a decade in Silicon Valley; at universities and research organisations, large corporations, SMEs and start-ups; re-shaping mature businesses and launching and helping launch new ones. Lacey is a member of the dozen-strong nationwide facilitation (content design, training, coaching, and mentoring) team for the world’s leading science and technology accelerator, CSIRO’s ON program. In four years, ON has trained over 2200 researchers and their industry partners, giving them the resources they need to create impact from their research. ON alumni have created 52 new companies, resulting in 226 new jobs. ON participants have attracted over $30.4 million in commercialisation grants, and 13 of the 52 new companies formed have raised a total of over $36 million of investment capital.

We applaud the vision of the Business Growth Fund. Our experience aligns with the motivation for the Fund: Australian innovators are often constrained by the scarcity of early-stage “patient capital.” The Bill is also consistent with the key recommendation from the [recent Australia National Outlook report produced by CSIRO and NAB](https://www.csiro.au/en/Showcase/ANO): Australia’s medium-term prosperity and well-being require investment in new industries and skillsets. We strongly support the Bill.

However, our experience, and the experience of related Federal Government programs such as ARENA and AusIndustry’s Entrepreneurs’ Programme, especially its Commercialisation component, is that the generation of high-quality applications for support from the Fund is likely to be challenging. In order to maximise the number of high-quality applications for support from the Fund, and therefore the impact of the Fund, we propose that a small amount of the Fund’s resources is directed towards offering short training programs for potential Fund applicants. The ON program has demonstrated that a national-scale, structured, one-to-many training approach, delivered by a small number of highly-skilled facilitators, enables innovation leaders to rapidly acquire the skills needed to validate the value of innovative products, services and business models with their target customers. A similar approach is taken in the US with the [National Science Foundation I-Corps program](https://www.nsf.gov/news/special_reports/i-corps/), where a structured one-to-many training program prepares budding science and technology entrepreneurs to take their ideas out of the laboratory. Participation in the I-Corps program is a mandatory pre-requisite for applicants for some types of US government funding. The value of this structured, intensive, hands-on one-to-many customer discovery training is not limited to science- and research-based ventures: its value for all types of innovative ventures, has been proven by many of the world’s best start-up accelerators and in-house corporate innovation programs. Further, ON has proven that this approach can be delivered at national scale very efficiently, at a cost that is a fraction of the value it delivers.

In summary, we propose that the Fund requires that all potential applicants participate in a short market validation training program, offered by the Fund, to maximise the number of high-quality applications for support from the Fund, and therefore the impact of the Fund. Please consider including this in the terms of reference for the Fund’s administrator.

Thank you.

Jonathan Lacey, Principal.