

→ RECRUITMENT

Ross plays the name game

Julia Ross has been on the acquisition trail and has grown her firm into a \$360m empire. She reveals the secrets of her success to **Amanda Swinburn**.



↓ JULIA ROSS HAS built a \$350m brand, Ross Human Directions (RHD), Australia's biggest white-collar recruitment firm, around her name and she intends to keep it that way.

Every division of the business bears the Ross moniker. Ross Calibre focuses on mid-range specialists in banking, accounting, finance, sales and marketing; Ross Navigate deals with talent management, career transition and succession planning; Ross Hot provides temps, administration and call centre support and Ross Logic offers technology consulting and management solutions.

Last year RHD acquired IT recruitment firm Spherion Group, the Asia-Pacific subsidiary of US-based Spherion Corporation with offices in Hong Kong, Singapore and New Zealand, for \$31m and is gradually implementing the new brand name Verossity.

"It is a shame that we are losing successful Australians to overseas roles but they are getting good jobs and people adore Aussies to work for them because they think they are really hard-working."

"I am trying to create a family of brands so the corporate entity has its core values that flow through to all the different divisions," Ross says.

As part of the rebrand, RHD launched a new advertising campaign featuring a group of tall poppies to symbolise her company, triggering scathing remarks in the press that perhaps Ross considered herself to be a tall poppy. Narcissist or savvy marketer? Perhaps the two go hand in hand.

Publicity has certainly not done the businesswoman any harm and she makes regular appearances in newspaper gossip pages—whether she is buying an opulent new mansion in Point Piper, being photographed, glass of champagne in hand at an industry function, acquiring a competitor or launching a controversial ad campaign.

Although she has previously been painted as having a "rags to riches" story, Ross was in fact a success from a very young age. At just 21, then known as Julie Strain, she was the youngest ever chief executive of a Taylor Woodrow subsidiary and a finalist in the British Businesswoman of the Year awards.

She moved to recruitment at 29 to work for UK recruitment group Alfred Marks to manage its 15 Thames Valley branches. There followed a stint in Australia in recruitment but Ross returned to the UK after splitting with her Australian husband and quitting her job following a showdown with a boss.

On arriving in the UK, Ross discovered she was pregnant with son James, now 16, and decided to return to Australia to try to revive her marriage. It failed and she found herself single and jobless. Ross—who retains her northern English twang—says that year, 1988, was a crossroads in her life.

"I had no choice but to set up my own business and so I sold everything I had to do it. It was profitable from the first few months because I couldn't afford to make losses for any period of time," she says.

Worldwide expansion

As the business expanded, more staff were hired and the group moved to an office in Pitt Street in Sydney city centre, then later opened an office in North Sydney. Now the business has 19 offices in Australia, seven more scattered around Hong Kong, Singapore, London, Ireland and New Zealand and listed on the Australian stock exchange in September 2000.

Revenues for the year are expected to be around \$360m, compared to \$165m last year and illustrate the benefits of the Spherion acquisition. The company is forecasting a profit after tax of around \$5m for the year compared to \$4m last year.

But despite these impressive figures, it hasn't all been plain sailing, as recruitment is a turbu-



lent industry—in a recession no-one is hiring and during boom periods there is a shortage of workers to fill positions—and Ross admits she has seen her fair share of tough times.

Given the current low unemployment figures in Australia, there is a shortage of good candidates, which is being worsened by the trend for young Australians to work overseas. But Ross has found a way to cash in on the 'brain drain', by helping Australians to find these overseas posts.

"It is a shame that we are losing successful Australians to overseas roles but they are getting good jobs and people adore Aussies to work for them because they think they are really hard-working.

"And it works both ways and increasingly we are getting good candidates coming here from overseas. We have plenty who arrive from London and the first thing they do is look for a Julia Ross office."

Ross, who joins only a handful of women on the annual BRW Rich List, is notoriously frugal and despite her wealth admits she got her Rolex re-

dipped in gold rather than buying a new one, a thriftiness she applies to the running of her business.

"I am quite conscious of cost because we work in a low-margin business. I always make sure we make money before we spend it," she says.

But Ross is also keen on giving back to her supporters. She sold half of RHD five years ago and pocketed \$25m and in August last year agreed to dilute her stake in the company further to free up shares for an oversubscribed share purchase plan to be fulfilled, as shareholders were demanding liquidity to enable them to benefit from the upswing following the Spherion acquisition.

Shareholder incentives

Ross has forgone about \$400,000 in the move but says the support of shareholders during a tough market in the past few years has been "phenomenal" and led to her decision to surrender some of her shareholding.

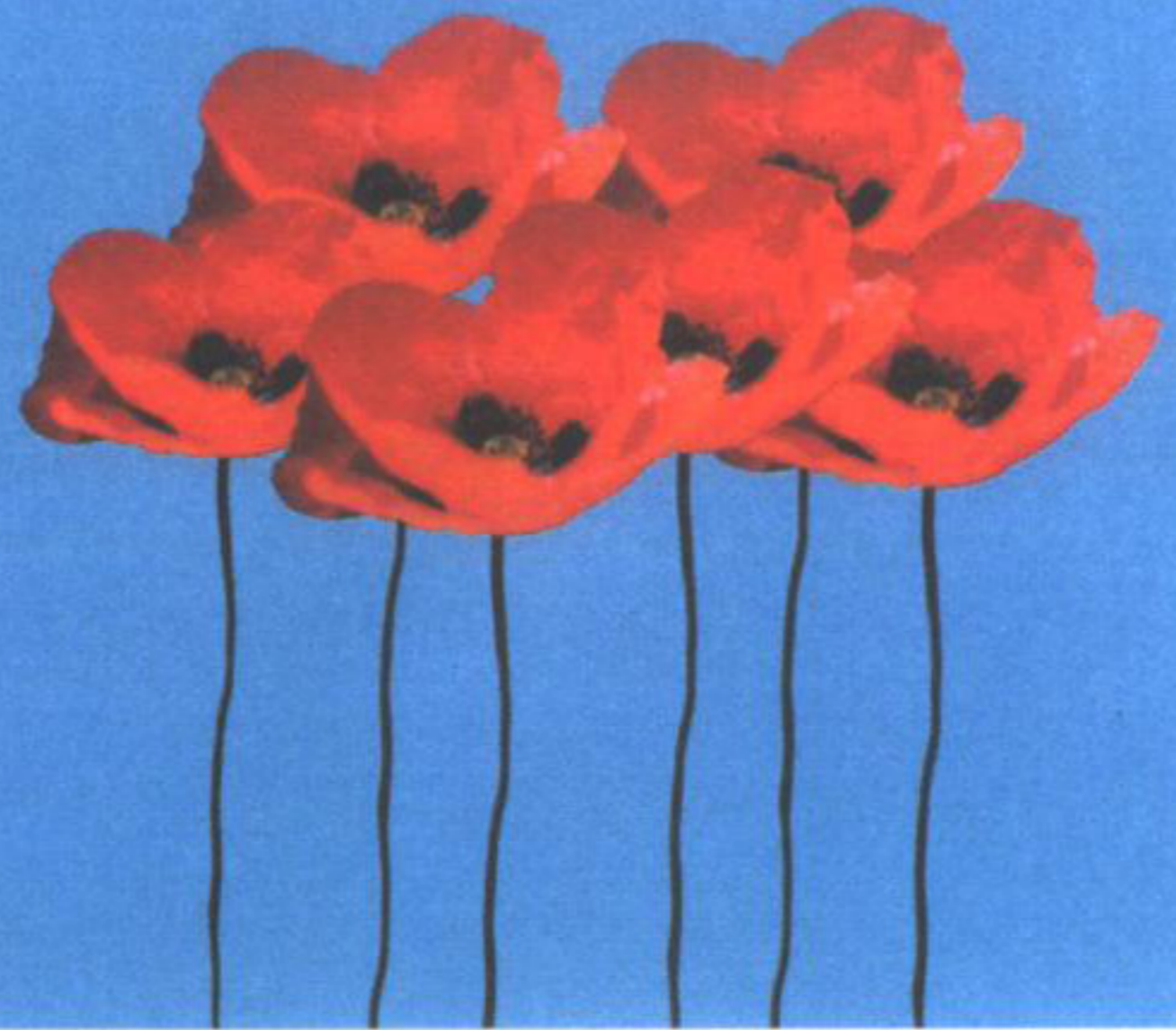
"It was an agonising decision because it was a quick \$400,000 for me but everyone was ask- ▶

➤ Ross has been described as "tough to work for".

Originally, one tall poppy.
Julia Ross Recruitment.



Today, still the tall poppies of
workplace solutions.



juliaross rosslogic rossnavigate verossity firstwater rosscalibre

A Division of Ross Recruitment

➤ Ross courted controversy with her 'Tall Poppy' campaign.

ing for liquidity and a lot of our shareholders stood by us in difficult times," she says.

Shareholder response to the SPP was overwhelming, with many subscribing for the maximum \$5000 worth of shares. The dilution means Ross' stake in the company has dropped to 46.8% from 58.4% but she balks at suggestions she is now a 'minority' shareholder.

"Kerry Packer controls his business with much less of a shareholding. What I have is a very secure majority," she says.

According to head of executive recruitment firm Lachlan Executives, Sally Lachlan, Ross is well regarded in the industry.

Marketing stunts

As a marketer, Lachlan says she is excellent and has never been adverse to a bit of shameless self-promotion. She recalls an advertising campaign when Ross first started out in personnel titled 'The JR Files', a play on her initials and the popular TV show.

"Julia is a highly successful person, she's worked so hard and obviously has some good advisers," Lachlan says. "She is also a tough character—you have to be as a female owner of a business that has grown to that degree. She is pretty hands on and would deal with most of the

clients herself, though I understand she is quite tough to work for."

In general, Lachlan says recruitment is a "churn and burn" industry where staff turnover is high. And although Ross is known for surrounding herself with female employees, Lachlan says this is common in the industry.

"Recruitment is a multi-tasked career and it is a fact that women are better at that," she says.

But although Ross has earned the respect of her peers, she has been quite open about the difficulties of balancing her work and home life. Work has always come first and she has been through three marriages and often feels guilt about not spending enough time with her son. But finally, she is in a position to take more time out and now works a more civilised 50-hour week compared to the Herculean hours she worked prior to and during the listing, although she admits she would still like to do a few less hours.

Weekends are doing "a little bit of something at home", Villa del Mare, a glitzy \$21.5m residence in Australia's most expensive area of Point Piper, with friends who include 'Hungry' Jack Cowen, a shareholder in RHD and one of Ross's most trusted advisers. She cites Cowen as one of her business inspirations.

"It is well known that he has given me a lot of

guidance over the years," she says. "He is someone I admire in business, he's always ahead of the game."

However, she adds that there are not many people in business she truly envies. Even Kerry Packer, she says, does not overly impress her.

"I think when you get to a certain level in business you look at other people's businesses and think 'I could do that'," she says with her customary candour.

She is always on the lookout for potential acquisitions and is particularly proud of the Spherion deal. "People think it's quite cute that an Australian company bought Spherion Group, which is known to be part of an American company," she explains.

Spherion was selected mainly because it offered something the Julia Ross brand didn't have—a large IT division—so it was a compliment to the existing business with very little cross in terms of service and clients.

RHD is now implementing a contemporary and fresh new brand structure for all divisions of the business. The Tall Poppy campaign is appearing in print and outdoor and RHD also carries out what

Ross admits are "out there" marketing stunts to keep the brand in the news. The majority of the group's marketing ideas are developed internally and ad agency HMA Blaze does "the creative work we can't do ourselves".

On Australia Day the group sent out trucks with thousands of trees for people to plant, along with books about Ned Kelly to overseas clients. It has dressed people up as pantomime horses and clients even get something on Hallowe'en and Valentine's Day, with a bonus treat on St Patrick's Day if they are Irish.

"We have a very focused database and marketing campaign. It's nice to receive something personal to you—we don't believe in the scattergun effect," Ross says.

Certainly Ross has proved her equality with the big guns of Australia's male-dominated business world but has it all been worth it?

"I think that we spend our younger years trying to make money, and then when we've got some, we realise it's really not what it's made out to be. So that's been more powerful for me than anything, really—realising that money is not power," she says. **PM**