



Annual Report 2021 - 2022

OCTOBER 2022



ACKNOWLEDGEMENT

In our work Startup ShakeUp acknowledges and respects the Traditional Custodians of the many lands on which we conduct our activities. Our First Nations people have been living on, learning from and caring for these lands for many thousands of years. We honour Elders past and present; their knowledge and wisdom has ensured the continuation of culture and community. We cherish the opportunity to work with current and emerging leaders; together we can create a world worth living in.

ABOUT THIS REPORT

Startup ShakeUp Ltd became an independent Not for Profit with a skills based Board on 23 July 2021.

This Annual Report documents Startup ShakeUp's activities and achievements during the 2021-22 financial year.

Stewart, Tracy & Mylon have independently reviewed our financial report and concludes that it presents fairly, in all material aspects, the financial position of Startup ShakeUp as at 30 June 2022.

For further information on the 2021-2022 Annual Report, contact Ilena Young, Managing Director on 0427 283 101 or ilena@startupshakeup.org.

THE STARTUP SHAKEUP STORY

"Startups and startup ecosystems, from economic policy and commercial perspectives, are that bridge between the current economic growth path, and the creation of a new growth trajectory which will drive growth, income, and jobs into the future".

Dr Pradeep Philip, Partner, Head of Deloitte Access Economics. June 2020

"Productivity is not an accident: The economics and impact of Victoria's startup ecosystem"

2018 – 2019
LOOK
& DISCOVER

2020 – 2021
DESIGN
& BUILD

2022 - 2023
CONSOLIDATE &
COMMERCIALISE

2023+
RUN, LEARN
& IMPROVE

STARTUP SHAKEUP - BUILDING OUT A BUSINESS PLAN IN ACTION

SINCE 2018 Startup ShakeUp has been supporting innovative businesses in North East Victoria, building out the innovation ecosystem they need to support their growth and development. Established with \$400,000 LaunchVic funding, the project was first auspiced by Benalla Rural City in collaboration with Rural City of Wangaratta, Indigo Shire, Mansfield Shire, Goulburn Ovens TAFE, Charles Sturt University and North East Tracks Local Learning and Employment Network.

THE FIRST STAGE 2018-2019 - "LOOK AND DISCOVER" tested what worked and what regional communities responded to. Events focused on ideation, challenge definition, validation and storytelling and culminated in the Pitch Night, a fantastic evening that people still talk about.

THE SECOND STAGE 2020 – 2021 – "DESIGN AND BUILD" began when auspice moved to Rural City of Wangaratta. All local Government areas in North East Victoria (Alpine Shire, Rural City of Benalla, Indigo Shire, Mansfield Shire, Towong Shire, Rural City of Wangaratta and City of Wodonga) became formal partners under MOU supported by Goulburn Ovens TAFE, Charles Sturt University and NbN Co.

WE ARE NOW IN THE THIRD STAGE 2022 – 2023 – "CONSOLIDATE AND COMMERCIALISE" which actually began early when Startup ShakeUp incorporated and registered as an independent Not-For-Profit with a skills-based board in July 2021. This is the stage in which we look hard at what we do, consult with our partners, and consolidate what we do around the programs that the business community wants and needs to build out sustainability and resilience going forwards.

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FOREWORD FROM OUR CHAIR



This is our inaugural Annual Report, which is symbolic for our transformation from a local volunteer project to a charitable company with a Board, CEO and staff.

Startup ShakeUp exists because innovation, entrepreneurship and business practice are

profoundly different in regional Victoria. Geographic isolation and digital barriers can keep 'people with ideas' from the services and networks that are easily available in a big city. As a result, many clever ideas stay just that, instead of generating a start-up or reshaping an existing business plan.

We have a proven model for overcoming these barriers through open minded collaboration. We are connectors and catalysts enabling growth, innovation and digitisation; one local business at a time, building a confident and resilient business community overall.

We can do this work because we have strong partners who share our vision and value our impact. This year we were supported by long term allies from the Rural Cities of Benalla and Wangaratta, the Shires of Indigo, Towong, Alpine and Mansfield, and Wodonga City Council. Other long-term partners include GOTAFE and Charles Sturt University; we also welcomed NbN Co and Hume Bank into the Startup ShakeUp circle. We value the trust and investment from the Victorian Government, in particular Launch Vic and the Department of Jobs, Precincts and Regions (via the Regional Digital Fund).

With these local investments and support, we connected with 5369 people, their businesses and their ideas. We helped 71 of them to transform concepts into commercial entities and you will find some of their stories in this report. We also used the year to build a dedicated board, recruit an influential CEO and set an ambitious two-year strategy.

I thank my fellow directors for sharing their depth of expertise: Deputy Chair Trey Zagante, Treasurer and Secretary Graham Frank (also Chair of the Finance and Stability Subcommittee); Chair of the Regional Investment Models Working Group Dr Emma Ball; Chair of the People and Purpose Subcommittee Guy Wilkinson; Chair of the Engagement and Inclusion Subcommittee Andrew Vitadello; travelling board member Catherine Macmillan and Managing Director extraordinaire Ilena Young. Startup ShakeUp is a start-up itself, and I thoroughly enjoy the spirit of collaboration and innovation we all bring to the table.

We are inspired by the people we work with. I thank our knowledgeable, enthusiastic and welcoming staff. Every person who walks through our doors, virtual or otherwise, may have an idea that can change lives. Their business concept may change the life of their family, customers, staff or community. Some of them will become local, national or global brands. Startup ShakeUp is proud to be part of this journey.

MARTINA RIENZNER

Chair

FOREWORD FROM OUR MANAGING DIRECTOR



Our region is full of people who have ideas, who want to build, to create, to innovate and do their business differently. We are here to support them, welcoming them to our community.

Whether in new startups or existing businesses, we all use innovation to do

what we do better, and at Startup Shakeup our aim is to support such innovation from ideation through creation to commitment, establishment, growth and scaling.

Our region, its communities and businesses have faced, and will face, many challenges. With innovation and support these challenges can be flipped into opportunities, which regional businesses and industries can then build upon to thrive.

In the 2021-22 financial year Startup Shakeup's increased participation numbers showed regional enthusiasm for innovation is alive and well, despite the cumulative impacts of bushfires, restrictions, locked borders etc.

Programs moved seamlessly online when needed and activity increased 240% attracting more people to explore more ideas and more innovations.

We worked closely with partners and sponsors (see Chair's Foreword) and also our service providers, Runway HQ, GHD Digital and Australian Digital Inclusion Index, as well as numerous collaborators to build engagement and participation. Together we delivered a stand-out program including the Incubator, the Regional Skills Network, ongoing events and regional research into the digital literacy of the SME workforce.

Integral to all of this have been our staff, whom you see listed in 'Our People'. They have been extraordinary, they enjoy working as a team, they are enthusiastic, creative, they all love what they do and they are a true joy to lead ... thank you to each and every one of you. Thank you also to all those who have shared our journey, again named later in this report.

As a new organisation with a new Board, we focused on delivering ongoing activity whilst behind the scenes we built the team, forming, norming and storming an innovative and value based organisational culture. Any new organisation will face a few challenges, and we honestly say that they have made us better and stronger, more focused on priorities, more able to build sustainable strategic activity going forward. Thank you deeply to our extraordinary Inaugural Chair, Martina, who holds such a clear vision of what we can be and committed so many hours to give the leadership needed to build a truly innovative NFP and Board. As Chair of the previous Steering Committee, and on their behalf, I thank all our new Board members for stepping into this space, creating a shared vision, and committing to working together to make it happen in such innovative ways.

The challenges facing regional Australia going forwards will call for enormous innovation and agility, and at Startup Shakeup we take delight in inspiring people to take the first step, then the next and then the next. Be assured we do this to ourselves as well, as an organisation and Board, constantly asking ourselves how we do this better, create more impact, and better support the Startups, Small Businesses and partners we work with.

Startup Shakeup represents a regional collaboration of communities passionate about innovation, keen to connect, to collaborate, to turn change to good effect. We look forward to the future, building innovation activity and discovering new gems of innovation wherever they lie. Together we can use innovation to make this a dynamic, innovative region, a standout in Australia, in which Startups, Shakeups and Innovators thrive.

ILENA YOUNG
Managing Director and Chief Executive Officer

OUR STRATEGIC PLAN



STARTUP SHAKEUP ACCELERATES REGIONAL INNOVATION AND GROWS YOUR BUSINESS

We are an independent Not for Profit Company with a skills-based Board that works in collaboration to offer a year round calendar of programs and events, connecting and strengthening Startups, Shakeups and Innovators in North-East Victoria.

To achieve this, we all have a role to play. The businesses we work with value their networks, connections and the community that surrounds them, and so do we. We have an open door to diverse ideas, innovation and partnerships that strengthen our region. To realise this vision of a vibrant and resilient region will take all of us. We look forward to sharing the journey with our partners, champions, participants, communities and other stakeholders.

Our Vision	A dynamic and innovative region in which Startups, Shakeups and Innovators thrive in a business ecosystem nurturing sustainable growth and strong communities
Our Mission	To accelerate innovation, business growth, digitisation and resilience.
Our Values	Inspiring Innovative Respectful Collaborative Inclusive Impactful
Our Purpose	A catalyst for innovation and regional economic growth
Our Constitution	<p>The company is established, through our Constitution, to be a charity with the purpose of enhancing regional and remote Australia, by:</p> <ul style="list-style-type: none"> (a) being a catalyst for innovation and regional economic growth; (b) nurturing purpose and confidence in regional and remote enterprises; (c) creating powerful collaboration among regional and remote people; (d) enabling people to start or renew innovative aspirational enterprises that strengthen regional economies.

OUR STRATEGIC AIMS

INNOVATIVE COLLABORATION AND LEADERSHIP

OUTCOME:

Participants, partners and stakeholders accelerate their innovation, digitisation, resilience & growth as part of the regional innovation community.

PRIORITIES:

We research and collaborate to determine regional priorities.
We advocate for what will be needed in the future.
We explore and define the role of Innovation in this future.
We communicate and educate the community about Innovation.

INCLUSION AND REACH

OUTCOME:

Our community of Startups, Shakeups and Innovators continues to grow.

PRIORITIES:

We understand the Innovation needs of key markets and partners.
We create pathways to inclusion, building equity & diversity.
We collaborate and co-design our activities and delivery.
We offer innovative activities with value and meaning.



ENABLING EMPOWERMENT

OUTCOME:

Our community builds connections, confidence, capacity and purpose.

PRIORITIES:

We deliver SMART programs responding to evidenced need at "point of ask".
We remain innovative, responsive and agile, delivering to future needs.
We empower participants and partners in their ongoing engagement.
We design innovative programs that meet evidenced needs.

INVESTMENT IN THE FUTURE

OUTCOME:

A sustainable model generates economic and social benefits across regional businesses, organisations and communities into the future.

PRIORITIES:

We construct partnerships that generate maximum benefit for all.
We invest in our people, ensuring they are productive, capable and happy.
We make decisions that align with our values and strategic priorities.
We work towards every participant and partner gaining ongoing benefit.



THE REGIONAL ECOSYSTEM

At Startup Shakeup our purpose is to be a catalyst for innovation and regional economic growth.

A healthy regional innovation ecosystem consists of many moving parts and players, all of whom collaborate to generate the inclusive, dynamic entrepreneurial culture we need to foster innovative regional economies with increased competitiveness for small businesses.



This map shows the different components of the innovation ecosystem in North-East Victoria, who collaborate in numerous different ways. Thus we are building a collaboration map for 2022-23.

OUR PEOPLE

OUR BOARD



MARTINA
RIENZNER
Chair



TREY
ZAGANTE
Deputy Chair



GRAHAM
FRANK
Treasurer /
Secretary



DR EMMA
BALL
Director



ANDREW
VITADELLO
Director



GUY
WILKINSON
Director



CATHERINE
MACMILLAN
Director



ILENA
YOUNG
Managing
Director & CEO

OUR TEAM



JESS
BOLCH
Program
Coordination



SARAH
PARKER
Program
Coordination



AMELIA
HARTNEY
Incubator
Facilitator &
Coach



BREE
NIGHTINGALE
Digital Literacy



MELISSA
ANTHONY
Online Business

We also thank those in our Regional Skills Network who have so willingly contributed invaluable time and expertise. Thankyou too to Karen Nankervis, our minute taker, the digital training team (Sue Brunskill, Alli Walker, Karen Retra & Amanda McLaren) and our associates the Wandering CFO and Orbit Studio, who support us in rolling out our activity.

We could not do any of the work we do without the support and collaboration of our partners, our sponsors and our funding bodies, who not only contribute financially to support programs, but who also give generously of their time with in-kind support, engagement and advice from their staff and their executive.

OUR PARTNERS, SPONSORS AND FUNDERS



OUR COLLABORATORS

Startup ShakeUp is at heart a collaborative venture, and it has been our pleasure this year to work with the following people and organisations in delivering everything we do.

Runway HQ – Linda Wong and the Team
GHD Digital - Emma Jones and the Team
UWorkin and Everi – James Rehfish and the Team
Bright Co-Working – Allie Wilson and the Team
LaunchVic – Kate Cornick and the Team
The Regional Digital Fund – Helen Paraskevopoulos and the Team
Defining Leaders - Mark Cooper, Boyntons – Janelle Marsden and the Team

And finally, we thank those speakers, startups, shakeups, innovators and contributors who have been involved in making every event happen - you know who you are - and we value your contributions.

OUR ACTIVITIES

Startup ShakeUp is a community for regional people who want to innovate and do business differently.

We provide connections, support and services for anyone in business who wants to take an idea and make it a reality, whether a new startup or an extension of their existing business.

We service every stage (for startups, established businesses and innovators) from idea, through testing and MVP (Minimum Viable Product), to commitment, establishment, growth and scaling.

Our aim is to provide you with the advice you need at the point that you need it, and once you become a member of our community, we want you to stay involved and to spread the word. We now have businesses we have been involved with since our very first year in 2018.

What is a Startup? : A Startup entrepreneur sees a problem and develops a solution. These solutions are innovative, high impact and scalable; offering benefits locally, regionally, nationally and globally.

What is a ShakeUp? : A ShakeUp is an existing business that seeks to reset, recalibrate and evolve to meet current challenges in a new way that enables them to be resilient and sustainable.

Who is an Innovator? : Anyone in an organisation or the community who sees a problem and wants to create new ways of doing things differently

WEBSITE, SOCIALS, NEWSLETTER

At Startup ShakeUp we recognise the role of innovation in productivity and growth, and believe we are bigger collaborating together than as separate moving parts.

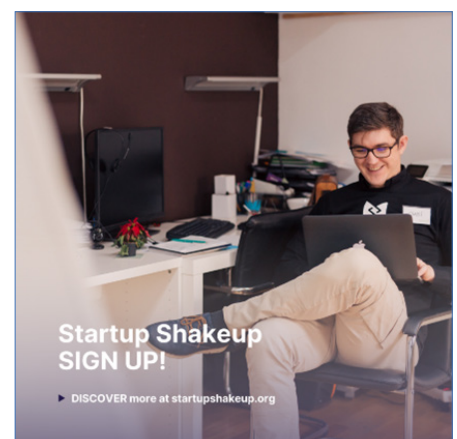
We value our partnerships and collaborations and see our role as the connector for regional innovation, using networks, word of mouth and social media as key drivers.

In a crowded marketplace we use branded graphics and imagery, and our nurture of our community, its members, our partners and their networks, encouraging promotion and continued engagement.

When people hear of Startup ShakeUp, want to start or build their own business differently, they come to our website. From here they subscribe to our fortnightly e-news, which has an open rate of 31.5% (industry average is 15%). We make it full of current, interesting Australian Innovation information, hints and tips, bringing you news from elsewhere as well as regional information. We focus on

- Something To DO
- Something To VIEW
- Something To INSPIRE You" and
- Something to REVIEW

We also love to celebrate the "WINS" for our startups, and point out opportunities to "PAY IT FORWARDS"



OUR ACTIVITIES

MEETUPS

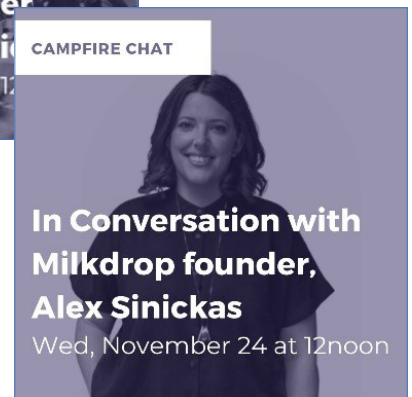
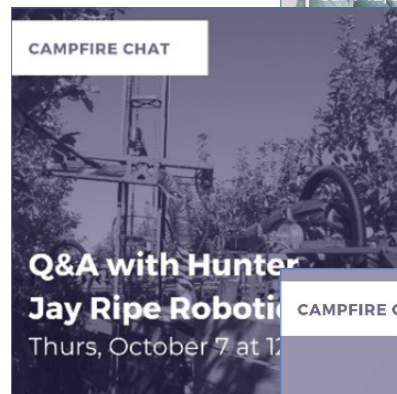
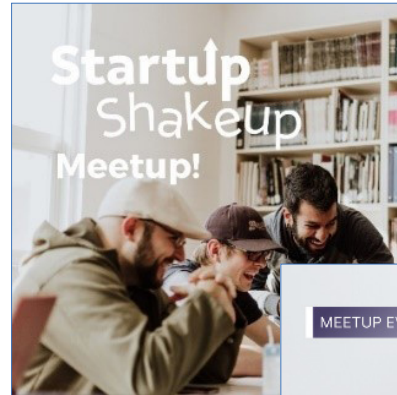
The option to meet and connect in person is alive and well ... and despite restrictions we still held meetups this year around the region. Our meetups are informal events throughout the region, working with organisations on the ground, bringing like-minded souls together in a relaxed, informal environment. Our Meetups feature local or regional innovators telling their story informally in conversation, in a relaxed atmosphere, so you can learn in good company with yummy drinks & nibbles.

WEBINARS AND CAMPFIRE CHATS

The last few years have seen us all playing the COVID hokey-cokey, learning fast how to go in-out-in-out-shake it all about and repeat! In response we went online and focused on holding inspirational informal events, with a wide variety of regional and national startups at various stages of their business from new to scaling or scaled. These were honest, straight to the point, and focused on asking people about their idea, how they made it happen, what they learned and what they would advise others to do and not do..

MASTERCLASSES AND BOOTCAMPS

Masterclasses and Bootcamps bring participants together with professionals from GHD Digital, NbN Co and other collaborators, in small groups to focus on a particular topic, such as how to create a Seamless Customer Experience, create a Digital Roadmap for your business, use tech in business and which types of tech you can use to increase time management, communication and productivity. In 2021-2022 these sessions were usually held online, and topics respond to what we have heard the Startup ShakeUp community ask for.



THE INCUBATOR

When people have developed a great idea and done some ground work, they need support to work out how they are going to bring it to life, what they are going to need and a plan of where it is going to go. So – one of our iconic programs is our 24 week Incubator, currently funded by LaunchVic, in which a selected group of 10 work through all they need to take their business idea to Minimum Viable Product (MVP), through to the early stages of acceleration and launch.

The Incubator Program, in partnership with Runway HQ in Geelong, offers each participant \$20,000 worth of online tools, resources and content, and we supplement that with local content and coaching.

Significant funding and sponsorship (from LaunchVic and others) means that participants are only required to pay \$200 - \$600.

This incredible opportunity is unlike any other in this region and takes determination to complete.

We are proud over 80% of participants have completed all of this intensive program. For the others we find it is usually 'life events' getting in the way, and we encourage them to stay part of the community.

Topics covered include governance; problem identification; customer segmentation, branding, data, channels and sales; legals, IP, financials, R&D tax incentives, grants and capital raise; strategic frameworks; leadership; and the interplay between technology and innovation.

The Launch - Then of course we're ready to launch! After 24 weeks hard work, we bring every Incubator cohort before the public with a launch (whether face to face or online) as they take off and bring their innovative ideas to life. Our Incubator participants are prepped and ready for the public – taking their unique ideas to the world.

GROWTH GROUP

Once our startups have finished their Incubator, we do not let them drop. They are part of the Startup Shakeup community and we are there to meet their future needs. Some of this is through the Regional Skills Network (see next page) and some of this is through our Growth Group – a series of informal catchups. At last count we had 14 involved in Growth Group and whilst not everyone can make it to every catch up – the important message is that we are there for you when you need advice or to ask a question.

THRIVE

In 2022, LaunchVic brought THRIVE – the flagship Startup Development Conference to the North East, preceeded by mini-events including a Meetup with the Bridge Road Brewery story, LaunchVic Office Hours and a co-working forum at ACRE – Old Gaol.

This was a fabulous opportunity to network with like-minded people from across the region and beyond, all sharing their passion for innovation and regional development. We heard an overview of the Victorian Startup Ecosystem from Kate Cornick, CEO LaunchVic; a report from Startup Genome on the state of play; Susan Oliver reflecting on what it takes to grow Startup ecosystems; Examples of how regional Startup ecosystems (including Startup Shakeup) work with local councils to establish programs and champion regional innovation; the significance of migration to regional Victoria; what it takes to grow a Startup in regional Victoria; and factors to consider in building & scaling Startup communities.

The energy on the day left everyone energised, excited and looking at our opportunities with fresh eyes.

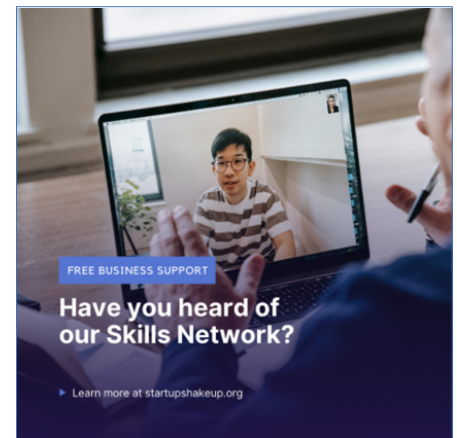
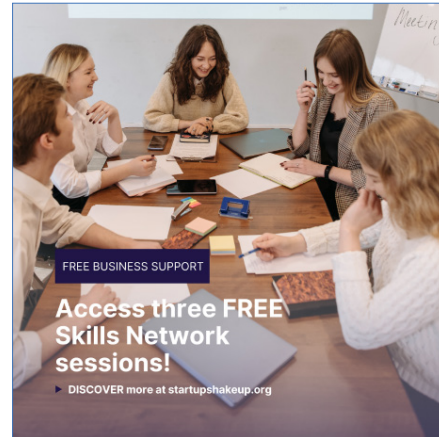


REGIONAL SKILLS NETWORK

Have you heard about our Skills Network Program? We offer one-on-one business advice for regional Startups, Shakeups, and Innovators, giving you the chance to connect with skilled advisors for FREE.

- ✓ Are you after some specific advice?
- ✓ Need some assistance to solve business challenges?
- ✓ Want someone to brainstorm and point you in the right direction?
- ✓ Then our Skills Network is for you.

This powerful resource is for businesses who are already established and looking to discuss a particular question with a specialized Advisor. The information given will be general in nature and this program has been created to be a first step on your journey as to what to do next. All participants accepted into the program are given the opportunity for up to 3 free hour-long sessions with either the same Advisor or with different advisors. All of our Advisors hold professional skills in different areas, and some examples are below for you. If we don't have an Advisor on our list that meets your needs then we will reach out through our contacts to find one for you.



SOME OF OUR REGIONAL SKILLS ADVISORS



**AMELIA
HARTNEY**
Product R&D;
Finance;
Business
Development



**DEBORAH
CULHANE**
People, culture
& HR; Legal & IP;
Operations



**JESS
BOLCH**
Social Media;
Branding;
Graphics;
Website Design



**BRON
O'SHEA**
Copy writing;
Crafting your
story;
PR & Media



**ALISON
LLOYD**
Product R&D;
Marketing & PR;
Partner
Development



**JONATHAN
CORRELL**
Marketing;
PR & comms

SME RESEARCH

RESEARCH TEAM

ADII: Dr Sharon Parkinson (Swinburne Centre for Social Impact), Dr Indigo Holcombe-James and Distinguished Professor Julian Thomas (Centre of Excellence for Automated Decision Making & Society)

Startup ShakeUp: Ilena Young and Bree Nightingale

INTRODUCTION

The digital transformation of regional communities is accelerating. While many regional businesses have increased online presence, capacity, and activities, the digital divide between major Australian cities and the regions persists.

Closing this divide remains key to social and economic development priority across all levels of government. The Victorian Government Digital Strategy 2021-2026 outlines its objectives in working towards fairer and more accessible digital services and capability, and a thriving economy, through continued investment in critical digital infrastructure in regional communities.

The ongoing monitoring of digital inclusion across communities is key to identifying where locally based initiatives can have most impact in enhancing access to and use of digital technologies. Startup ShakeUp have been at the forefront of strengthening the capacity of local businesses in Ovens Murray (NE Vic) to innovate and transform their practices through greater digital inclusion. However, evidence is limited on the nature of digital inclusion across different industry types, sizes and Local Government Areas in the region.

To address a critical knowledge gap, Startup ShakeUp collaborated with the ADII team to map the nature of digital inclusion across the workforce of small to medium enterprises (SMEs) operating in the seven Ovens Murray Region Local Government Areas: Alpine Shire, Rural City of Benalla, Indigo Shire, Mansfield Shire, Rural City of Wangaratta, City of Wodonga, and Towong Shire.

Here we present the highlights from the NE Vic SME Digital Inclusion Mapping project in which 401 members of the region's SME workforce completed an adapted Australian Internet Usage Survey (AIUS; Thomas et al., 2020). This is the survey used to derive the Australian Digital Inclusion Index (ADII), enabling direct measures of digital inclusion to be calculated using the ADII methodology.

ADII scores range from 0 to 100 and are relative, the higher the score, the greater the level of inclusion.

KEY TAKE HOME MESSAGES

The NE Vic SME workforce frequently use the internet, often several times a day. However, increases in time and activity online have not been accompanied by investment in access or digital skills.

Comparative Digital Inclusion		Comparative Digital Ability	
National 2021 National 2020	71.1 67.5	National 2021 National 2020	64.4 63.6
Victorian 2021 Victorian 2020	72.0 69.0	Victorian 2021 Victorian 2020	65.0 64.0
Metro Melbourne 2021	73.8	Metro Melbourne 2021	65.9
Regional SMEs 2021	63.9	Regional SMEs 2021	56.4

The NE Vic SME workforce has an overall Digital Index score of 63.9 this is 9.9 points lower than metropolitan Melbourne.

The difference is driven primarily by low Digital Ability at 56.4 which is 9.5 points lower than metropolitan Melbourne.

Training areas that would most enhance SME digital capacity were identified as

- marketing and website development,
- digital administration,
- sales and e-commerce, and
- financial management.

SMEs operating in multiple LGAs received higher scores and those operating in Wodonga have the most digitally included workforce, whilst those in Benalla and Towong are the lowest (NB low response numbers mean these LGA scores are indicative only).

Wealthier SMEs score higher, as do those with household incomes in the highest brackets, and the most digitally included workforces are found in health & wellbeing, professional & business services and construction & manufacturing.

The least digitally included workforces are in agriculture & agribusiness and accommodation & hospitality, with agriculture and agribusiness lagging on both Access and Digital Ability.

Relatively low digital inclusion scores were found for:

- SMEs with turnovers <\$75,000 or \$150,000 - \$1M;
- Older workforce members (all those over 55 fall below overall NE Vic scores when the average age for respondents was 52);
- SMEs with 2 - 4 staff, and
- those with household incomes in the lowest quartile.

SME RESEARCH

KEY FINDINGS

The ADII uses survey data to measure digital inclusion across three dimensions of Access, Affordability and Digital Ability. ADII scores range from 0 to 100. The higher the score, the greater the level of inclusion. ADII scores are relative: they allow comparisons with each of the three Index dimensions equally weighted. The findings here are based on the responses from 401 participants in the SME workforce across North-East Victoria (NE Vic). Information about the ADII, methodology and who was surveyed can be found in Appendices 1, 2 and 3.

Internet Usage: The NE Vic SME workforce are frequent users of the internet: 47.2% say they use the internet almost constantly, and 47.5% use the internet several times a day. The majority report increases in time spent online (66.5%) and range of activities done online (57.9%) but this is not accompanied by increased investment in internet access (26.1%) or in digital skills (33.8%).

Digital Inclusion Scores: The NE Vic SME workforce has an average Index score of 63.9, made up of Access - 70.1 Affordability - 95.0 and Ability - 57.3. Within the Digital Ability dimensions scores ranged from 66.8 - Operational Basics to 47.8 - Creative.

In Comparison with Melbourne: Controlling for differences in the sample population we draw an equally matched sample from the national survey for Metropolitan Melbourne. This showed the NE Vic SME workforce is 9.9 points behind the metropolitan Melbourne 2021 Index score, with the difference driven primarily by a low Digital Ability score of 56.4, 9.5 points lower than the metropolitan Melbourne score of 65.9.

Priorities for Building Workforce Capacity: The training identified by participants that would most enhance digital capacity within their SME was marketing and website development (64%), followed by digital administration (36%), sales and e-commerce (35.5%) and financial management (27.2) capabilities.

DIGITAL INCLUSION

By Age: Consistent with the national Index collection, the digital inclusion of the NE Vic SME decreases with age with older members of the NE Vic SME workforce being particularly disadvantaged. In a survey whose average respondent age was 52, workers over the age of 55 all fall below the NE Vic SME workforce scores on this dimension.

By Location: Taken at the total Index level (all sample participants), SMEs operating in Wodonga have the most digitally included workforce with a total Index score of 74.8, which is 18.6 points higher than that received by the workforce of SMEs in Benalla at 56.2 or Towong at 57.2. Please note that low response numbers make these scores indicative only. SMEs operating in multiple LGAs received an Index score of 65.3, above the regional average.

By Turnover: Digital inclusion scores also appear to be influenced by business income. Wealthier SMEs score higher than their less wealthy counterparts, and this is seen most clearly in the Access and Affordability dimensions. There appear to be particular challenges for SMEs under \$75,000 (the GST threshold) or from \$150,000 - \$1M.

By Staff Size: the SMEs that appear to struggle are those with 2 – 4 staff whose Index score sits on 60.8, with an Ability score of only 52.9. This compares to SMEs with more than 20 staff who receive an Index score of 69.4.

By Industry Sector: SMEs in health and wellbeing (66.6), professional and business services (66.1), and construction and manufacturing (65.1) are the most digitally included. Whereas agriculture and agribusiness (61.4) and accommodation and hospitality (61.9) are the least digitally included. Agriculture and agribusiness SMEs are particularly lagging on the Access (66.6) and Digital Ability (55.7) dimensions.

	Total Index	Access	Affordability	Ability
Total NE Vic SME workforce	63.9	70.1	95.0	56.4
Agriculture and Agribusiness	61.4	66.6	95.3	55.7
Accommodation and hospitality	61.9	70.2	94.2	53.4
Tourism and recreation	64.4	71.1	94.8	57.4
Retail	64.3	70.2	94.6	58.3
Construction and manufacturing	65.1	72.0	96.7	57.3
Professional & business services	66.1	72.0	94.0	60.4
Health and wellbeing	66.6	71.3	95.8	61.4

Responses to the question 'what does your business do?' were re-coded to reflect the following seven final categories: tourism and recreation, professional services, agriculture and agribusiness, accommodation and hospitality, retail, construction and manufacturing, and health.

OUR RESPONSE TO THESE DIGITAL NEEDS

IMMEDIATE RESPONSE

Digital Workshops – April to June 2022

SME Consultation Group – April to June 2022

LONG-TERM RESPONSE

Click Region – Giving small business the confidence to thrive in the digital space



Click Region has been developed in a number of steps

1. The research project “Measuring Digital Inclusion in North East Victorian SMEs”;
2. A series of digital workshops for beginners and intermediates in three different locations;
3. Concept feedback from a working group of 15 businesses from different sectors across the region;
4. Development of an education platform with events listing and business directory.

Click Region is : An online education platform

Click Region has been created to encourage digital confidence within small businesses, enabling them to pick up new skills in tiny clips, usually under 10 minutes

Click Region is : A time management tool

Click Region allows small businesses to learn digital tasks in short sharp bursts. It is a tool they can use 'on the go' in their day to day business, or at home at the end of the day.

Click Region is : A safe digital space to explore

Click Region is a space in which small businesses can feel safe and learn in a controlled environment. It is a trusted site where the information is vetted by us and appropriate for the businesses in the region.

Click Region is : An interactive website created to encourage the user to explore.

Information will be displayed in videos, worksheets, PDFs, flowcharts and checklists.

The SME Workforce Digital Confidence Survey highlighted SMEs wanted to learn about multiple areas.

So Click Region has 4 categories of learning.

- Marketing & Online Communications
- Administration & HR
- Financial Management
- Operations & Production

There are many people who are either starting out on their new business or running their own business already and we have found that they do not have time to be watching long webinars or searching for resources to improve their processes.

Click Region is a simple, easy to use platform where you can sign in at your convenience and watch easy to digest clips of about 5-7 minutes for clear ways to improve and update your business and give you valuable time to work on scaling up.

<https://clickregion.org.au/>

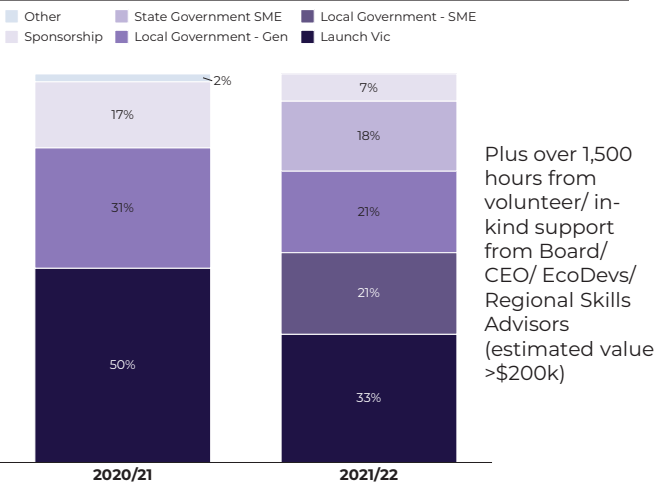


OUTCOMES

WHAT WE ACHIEVED OPERATIONALLY

300% increase in turnover

Change in distribution of income sources over time

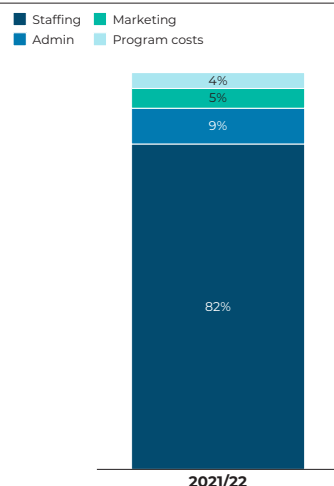


Change in distribution of income sources over time

This turnover calculation does not include over 1,500 hours volunteer or in-kind support from Board members, Sub-Committee members and Regional Skills Advisors (who 90% of the time donate their services) worth over \$200,000.

Startup Shakeup operates a virtual office, meaning we bring programs and activities down on the ground, in collaboration with partners, as and where they are needed across the region. This purposefully lean model means that the bulk of our funding can go directly towards service delivery.

Budget expenditure (2021/22)

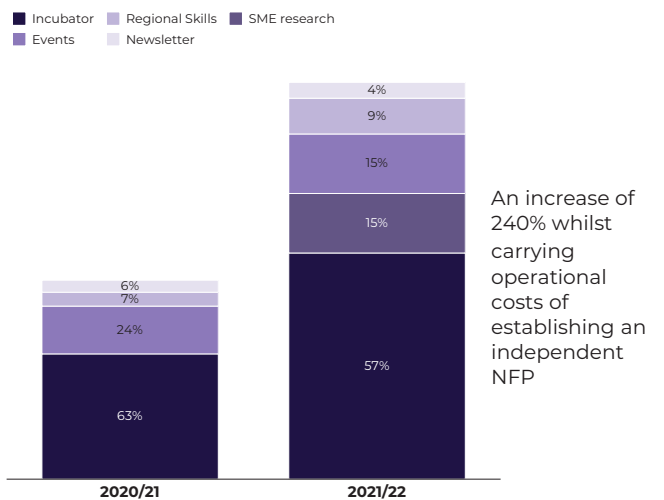


Budget expenditure (2021/22)

WHAT WE DELIVERED

240% increase in services delivered

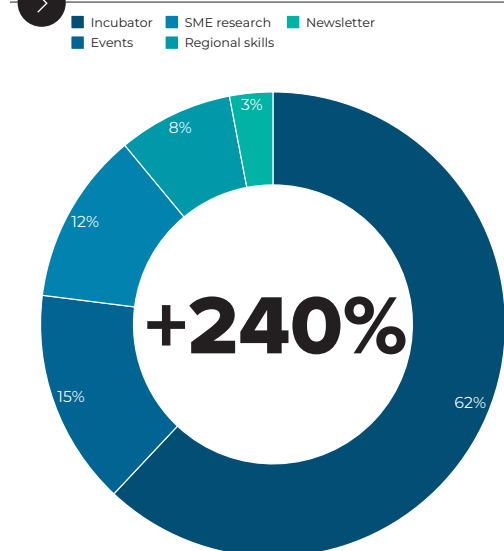
Change in services delivered to NEVic 2020/21 to 2021/22



Change in services delivered to NEVic 2020/21 to 2021/22

An increase of 240% whilst carrying the operational costs of establishing a independent Not For Profit

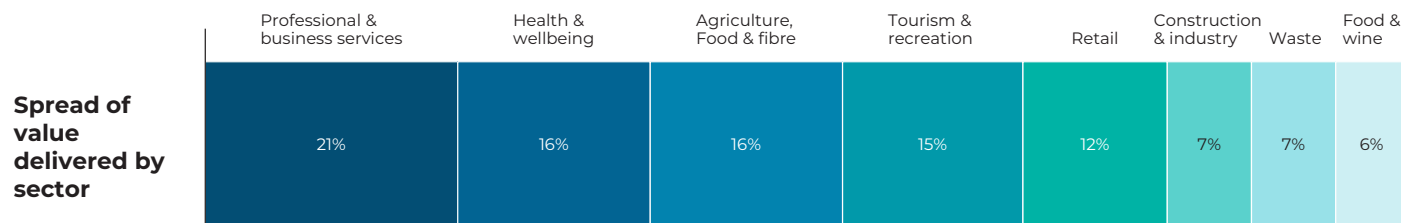
Services delivered altogether



Services delivered altogether

OUTCOMES

SECTOR COVERAGE



Spread of value delivered by sector

85% of the services we delivered were sector specific, with a healthy spread across the diverse industry sectors that make up the North East Victoria.

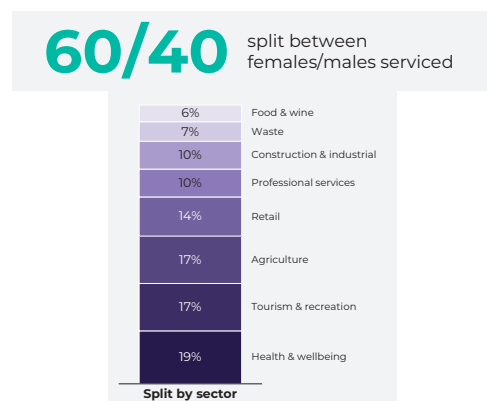
WHAT THIS MEANT IN BUSINESS ENGAGEMENT

Incubator service

Increase in business engagement over time
(% increase from 2020/21 to 2021/22)

	# businesses	hours	touchpoints
Incubator	411%	325%	367%
Regional Skills	170%	267%	267%
Events	165%	164%	126%
Newsletter	125%	125%	125%
SME Research	100%	100%	100%
TOTAL	240%	241%	246%

Incubator program deep dive – cohorts serviced
(2021/22)

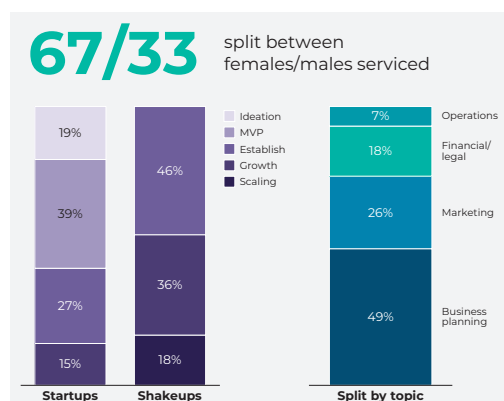


Regional Skills Network service

Increase in business engagement over time
(% increase from 2020-21 to 2021-22)

	# businesses	hours	touchpoints
Incubator	411%	325%	367%
Regional Skills	170%	267%	267%
Events	165%	164%	126%
Newsletter	125%	125%	125%
SME Research	100%	100%	100%
TOTAL	240%	241%	246%

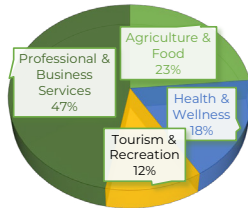
Regional Skills program deep dive – cohorts serviced
(2021-22)



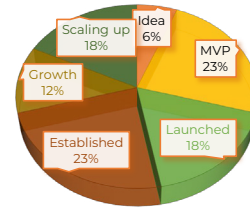
SO – WHAT DOES THIS MEAN TO OUR STARTUPS?

We phoned a group of 17 of our startups – at different stages, to get an overview of where they are at.

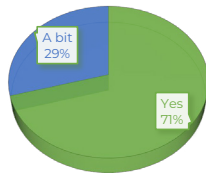
WHAT SECTOR ARE YOU?



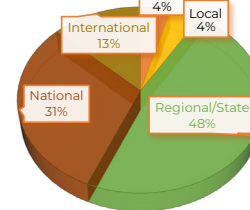
WHAT STAGE IS YOUR BUSINESS?



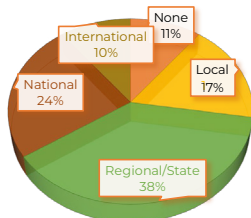
IS YOUR BUSINESS TECH ORIENTED?



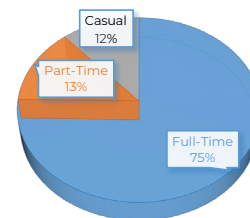
WHERE DO YOU HAVE CONTACTS?



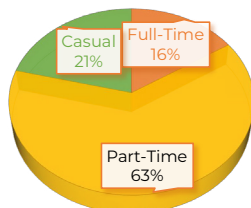
WHERE ARE YOUR CUSTOMERS?



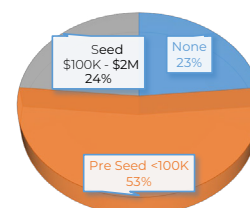
HOW MANY PAID STAFF DO YOU HAVE (TOTAL = 39.3)



HOW MANY UNPAID STAFF DO YOU HAVE (TOTAL = 5.7)



HAVE YOU INVESTED CAPITAL?



WHILST 5 OF THESE STARTUPS WERE PRE-REVENUE, THE OTHER 12 HAD A TURNOVER OF JUST OVER \$3M WHICH EQUALS APPROX 12.99 FULL-TIME JOBS PER \$M

REGIONAL STARTUPS AND WHAT THEY SAY

In 2021-22 we worked in depth with 71 businesses, another 399 informally through events, workshops and other activities, and hundreds more through the digital research project. These pages give you examples of the kinds of businesses we worked in depth, showing the breadth of their ideas and innovation.



PAUL HOGAN AND LISA DEFAZIO - PHOLD : Paul and Lisa design considered and responsible spaces, that have minimal impact on the environment and enrich the lives of those who live in them.

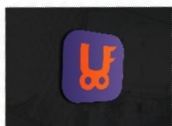
MODNEST is their latest venture, affordable, sustainable and dignified housing solutions, centred on providing regional communities with growth opportunities and vulnerable people a home. This will be achieved by manufacturing small-scale, self-contained housing options adaptable to suit the needs of diverse people. Supported by a regional manufacturing model that empowers communities to be able to “look after their own” by providing local, inclusive and engaging career opportunities; and providing an innovative ownership and economic model creating a sustainable long term business.



STUART JOHNSTONE - TIN SHED CIDER : Stuart is the Director of Tin Shed Cider, a great local cider made from 100pc Victorian Apples, with no sugar, concentrates, preservatives or BS. In running this business, Stuart recognised a need for cost effective, efficient logistical solutions throughout North East Victoria and the Hume region. With all the kilometres travelled every day on the same roads by people with empty vans and trucks, doing ‘dead miles’, a freight solution was born for a more mindful supply chain.



UFR8 : Here, Stuart connects clients to drivers, and small businesses to customers. Individuals get new and used items sent to their door, small businesses can deliver their products to customers; and drivers can subsidise their fuel and help lower greenhouse emissions. UFR8 provides real time tracking and route planning, helping drive business and consumer confidence and peace of mind. A mutually beneficial and efficient supply chain service.



BRONWEN O'SHEA - STORYUP : 30% of Australia's population lives in the regions, but only 15% of its journalists are based there. So who is telling the important stories of regional Australia? The answer is YOU - with the skills and support of Story Up, a business that provides communication upskilling and storytelling services for regional Australians. Story Up is led by Bronwen O'Shea, who deeply understands the importance and power of storytelling in regional communities. Bronwen herself shared over 17,000 stories in her 15 year career as an ABC radio presenter and producer in regional Australia. Bronwen started Story Up to help leaders, innovators and change-makers in regional Australia find, craft and share their stories, so the voice of regional Australia is clearly heard.



“The Startup ShakeUp incubator enabled me to unpack, test, refine and develop my concept in a structured and supportive manner. The highly collaborative environment meant IIF went from a concept to a reality in a number of months, and the business would not have been able to progress without it. I am honoured to be part of the Startup ShakeUp Alumni and highly recommended it to anyone in the NE with a hint of an idea.” - Nathan



NATHAN MACPHEE - IIF (INVEST IN FARMING) : Nathan is on a mission to break down the barriers between the people who grow our food and everyone who eats it. The IIF app is a ridiculously easy way to back our farmers and the food they produce. Everyone benefits. IIF operates as a co-operative whose members profit from farming without owning a farm. Buy a row of grapevines, a single cow or a basket of oysters, and investors watch their purchases grow, with returns in a few months, IIF also gives farmers easy access to money. No banks, no risks, able to presell a portion of their produce to improve cash flow. Whilst building awareness and a loyal following amongst consumers.



REGIONAL STARTUPS AND WHAT THEY SAY



JAY DAVIS AND ROHAN LATIMER - TELEDROME : In the 2019 Pitchfest Jay and Ro pitched an app to make drone racing more digestible for racers and spectators through providing situation information about others in the race ... this still bubbles in the background.

ROHAN LATIMER - PLANTD : In 2021 Rohan, a software developer who gave up city life for mountains and vines wanted to learn about the plants in his new life, so he create Plantd. This app allows you to track the plants around you - natives, veggies, flowers, anything that grows - and share it with your friends and family. Some plants grow fast and some take decades, so Plantd encourages you to take a snap every now and then so you can make your own Attenborough-esque time-lapse. You get reminders to care for your plants, from the app itself and from others using it, and he aims to bring more people back into nature!

"Startup ShakeUp turned our idea from a backyard community project into helping us realise the potential commercial value. Once we started looking into the numbers, we released how big it could be and that made us feel more comfortable in punching ahead" - Jay & Rohan



NAOMI INGLETON - FARMACYCO : Have you ever wondered how most health conditions can be resolved naturally through diet & lifestyle? Naomi produces a range of products to empower you to take control of your own health. In 2021 she took her business to the next level by expanding the product range, relocating into a larger retail store and running small workshop groups with a view to developing online class content and subscription services, hiring more staff, purchasing a property to build her own medicinal herb farm & exploring franchising.



LYNDAL SYMONS - MEADOW AND MARSH : growing and gathering seasonal, handpicked flowers, native grasses and agricultural blooms, Lyndal specialises in long lasting varieties for dried arrangements, visual merchandising, events and interior styling. The Meadow and Marsh range of flower seeds are gifts which keep on giving! Their bespoke seed packets have been designed for gifting, encouraging the recipient to sow the seeds, enjoy the blooms, and harvest the seeds to sow again the following year. With custom artwork, a memorable colour palette and playful wording, our tactile seed packets have been printed on an antique letter-press in regional New South Wales. The seed packets nestle perfectly inside the flower-powered stationery range of cards-worth-keeping. Individual purchases, corporate gifting bundles, wedding bonbonniere and retail wholesale packages are available. Let's grow!

"My biggest 'aha' moment is that the start up journey doesn't need to be a lonely one; shared joy is double joy. Through the incubator model - I have gained so much from weekly sessions with likeminded individuals all riding the same start-up wave; sharing in the joy from everyone's little wins, having a focus group at my fingertips, and accessing masterclasses and weekly content that has been invaluable in my start-up journey" - Lyndal



CAMERON SUTTON - INBIN : delivering waste services with a difference! By looking at the current model through a tech lens, inBin enables families with high waste requirements, tradies with builder's waste and gardeners with green waste to access inBin's tech platform so they can order bins quickly wherever they are with a simple click. This allows a speedy waste solution that helps to keep our streets clean and clear of unsightly dumped waste and looks after the environment. In fact - one of our bins is in your street! Currently pre-revenue, inBin has been focused on research and surveys to continue refinement of the solution and is now ready to launch!

REGIONAL STARTUPS AND WHAT THEY SAY



ANNETTE ROSE - KIDS GET MONEY : At Kids Get Money our purpose is to reduce the number of people living in poverty globally and we believe that a key foundation for breaking the cycle of poverty is financial literacy education. Our mission is to provide kids with the opportunity to acquire the education, skills and tools they need to have a positive financial future – regardless of gender, race or socio-economic status.

"The Startup Shakeup Regional Skills Network is such an incredible asset to businesses in the North East. As part of the Startup Shakeup Incubator I have had regular access to excellent resources including our fantastic mentor who has been invaluable on this journey, as well as a session with StoryUp who provided me with an absolutely timely and on point coaching session on my story and the art of pitching. I have no doubt that as I move forward with my startup, I will be back seeking coaching with other valuable resources including social media, marketing and technology" -Annette



RACHEL DAL ZOTTO - WHY WONDER : Rachel has been a Police Officer in the Sexual Offences Unit, a Chaplain in primary schools and a Counsellor for kids. In these roles, she noticed that people consistently wondered how to talk to kids about body safety and sexual development, essential life lessons. And so, Why Wonder? Body Safety and Sexual Development Programs for kids was created. Rachel's programs make the topics fun and without shame, making conversations with kids less challenging. Why Wonder? Programs are for pre and primary aged kids and delve into topics such as trusted adults, private parts, puberty and how babies are made. Why Wonder? Programs will create a generation of kids who no longer wonder about body safety but know!



SHARYN CARLESSO - KING VALLEY POPCORN : Sharyn has been involved with our programs since 2019, and pitched in the 2019 PitchFest. Having developed a new flour and traversed the world of patents, she was looking for help to scale. We broke the isolation that Startup founders can experience by providing connections with other businesses going through their own journey. Sharyn survived COVID, no mean feat in a rural food-based business, has opened a second shop, and recently completed "Seed Lab-Australia" an online food focussed incubator based in Tasmania. She is currently taking on the hurdles of packaging and distribution involved in commercialising a food product wholesale.

"I was at a point in my business where I needed to scale it and needed some help to do so, I was also looking for help with my elevator pitch and shaping our products ... I felt supported and working with Startup Shakeup definitely gives you confidence" - Sharyn



EMMA AVERY - EA SUSTAINABILITY : Emma has spent the last 4 years in business retailing reusable baby nappies and accessories in a quest to help parents reduce waste. Over this time, she realised that education played an important role and comprised the majority of her time before sales were closed. Already working in the waste consulting space within local and state government, she transitioned her approach to offer education and demonstration workshops, hosted by local councils, teaching parents about waste avoidance. She offers a package of resources such as starter packs of reusable nappies plus reference guides for participants of workshops. Emma is now exploring further waste avoidance and education approaches in her consulting business EA Sustainability.

"My biggest 'aha' moment is that the start up journey doesn't need to be a lonely one; shared joy is double joy. Through the incubator model - I have gained so much from weekly sessions with likeminded individuals all riding the same start-up wave; sharing in the joy from everyone's little wins, having a focus group at my fingertips, and accessing masterclasses and weekly content that has been invaluable in my start-up journey" - Lyndal

THANK YOU

To all of the Startups, Participants, Businesses and Alumni who shared their journey with us, taking that next step with us in the many programs, with the curiosity and courage to look at what the future could be.

You are the reason why we do what we do.

THANK YOU

We could not have done any of this work without the support and collaboration of our partners, our sponsors and our funding bodies, who not only contribute financially but also give generously of their time.



LOOKING AHEAD ...

WHY DOES INNOVATION MATTER?

"Innovation is the key to productivity and growth ... Startups and startup ecosystems, from economic policy and commercial perspectives, are that bridge between the current economic growth path, and the creation of a new growth trajectory which will drive growth, income, and jobs into the future".

Dr Pradeep Philip, Partner, Head of Deloitte Access Economics, June 2020

"Productivity is not an accident: The economics and impact of Victoria's startup ecosystem"

OUR JOURNEY TOGETHER HAS JUST BEGUN

Only 3% of Victorian Startups are based in the regions, indicating the immense untapped potential for innovation and growth in regional Victoria.

At Thrive 2022 Kate Cornick (CEO LaunchVic) reported that

- In 2022 Victoria's early-stage startup ecosystem was valued at \$23.6B, more than double the value in 2021;
- There are now 20 Victorian unicorns, valued at \$100 billion;
- With over 2,650 startups, the sector employs 58,572 people;
- Health, Enterprise, Data & Analytics and eCommerce account for 50% of all startups in Vic;
- The average age of Victorian founders is 42, but only 20% are women and only 12% identify as LGBTQIA+;
- Only 3% of Victorian founders are of Aboriginal and/or Torres Strait Islander descent;
- 35% of founders were born outside Australia, and over a third have a culturally and linguistically diverse (CALD) background.

IMAGINE OUR POTENTIAL

Uncovering just 1% of Victorian startups in our region will create \$236M of incremental value to the local economy. With industry sector employment rates varying from 5-15 full-time jobs per \$1M, this \$236M will equate to 1,180-3,540 full-time jobs.

Underpinning this we know from research that;

- Startups create jobs faster than conventional businesses;
- Startup businesses grow faster than traditional businesses; and
- Over the past two years, startups have been more resilient than most businesses, against the social and economic disruptions forced upon us by COVID. (2021 Startups employment in Victoria. LaunchVic).

AS WE NOW EMERGE INTO THE POST-COVID 'THIRD HORIZON' OF INDUSTRY, WE ARE POISED TO UNTAP OUR REGION'S FULL POTENTIAL.

WHAT DO WE NEED TO DO TO ACHIEVE THIS?

- Recognise as a region we cannot afford not to do this;
- Commit to partnerships and collaborations;
- See innovation as an enhancer and protector of our local economies;
- Stay close and listen to our startups and small businesses;
- Follow them on their journeys into growth, liquidity and exits;
- Gather together, build our funnel wide, stay inclusive;
- Work locally, think globally, we have much to learn and much to share;
- We have a small population in NEVic, let's create an innovation culture.