

Business Essentials (BE) – the Foundations

A personal account prepared by Neville Norman

BE's History: A Thumbnail Sketch

Pre-history: Neville Norman commenced producing trial business briefing services in both audio and video format from 1979 to 1983 and sought seed capital, marketing mechanisms and a program host/interviewer, all of which were lacking. Alan Carroll joined with him in Videoeconomy Productions Pty Ltd from 1980. Michael Schildberger, one of the most-respected TV/radio interviewers in Australian media history, pursued his first venture into business briefings in 1983, with Alan Stokes and Geoff Slade. In later 1983, Michael and Neville met, conceived, agreed and named **BE**, bringing in their partners named above from early 1984. Detailed business planning then commenced.

August 1984: The first program was recorded and distributed to about 300 first-up subscribers on VHS video format. Two more video programs and seven audio tapes were distributed in the first year.

May 1985: Alan Carroll urged the cessation of all BE videos; we did; Alan left soon after.

Early 1987: Neville Norman sold his equity interests and BE became controlled by Michael Schildberger. Neville continued, on Michael's urging, to be involved in every BE recording.

Early 1998: BE was absorbed into Infosentials and publicly listed. Infosentials was pronounced insolvent as at October 2000 by administrator Stewart.

May, 2003: Michael Schildberger bought out the BE shell from the ashes of Infosentials and ran BE successfully past its quarter century, later passing the reins to his son, Nick.

My Motivation

With the death in June 2010 of Michael Schildberger, the dominant force in BE, there has been much interest generated in the origins of the name, and the product and the company each called **Business Essentials** (BE). While today these three things may be seen as one, it was not always thus:

- BE was not the company name until about 1987 when I divested my equity share in what was a joint venture to produce BE from 1984.
- The product was actually running as a series of pilots before we named it and before Michael was even involved. Michael and I agreed to create what became BE at least two months before we named it, and nearly a year before we went into production and distribution, in August 1984.

Michael's account of the origin of the name – Business Essentials (BE) - in his book, *The Sorcerer's Apprentice (2000)*, is completely accurate. But *The Sorcerer* does not tell much of rest of the creation story, covering it with: "BE was born in mid 1984" (p.77). The full story is much richer in the way that he and I evolved the entire set-up, with some inputs from our then business partners.

Michael had a wide range of contacts. His main focus had been politics, before which his training was on the early-TV show *Nightwatch*: the road accidents, brawls and household disputes on the streets of Melbourne that were featured there prepared him for reporting conflicts in Canberra. Michael did interview some business people, like Robert Holmes a Court, and delved into economic policy issues with people like Fred Chaney. But business was not his focus. I judge that the four investment advisory meetings featuring Bruce Bond in 1983, which Michael referred to constantly, acted as the appetite-whetter prompting Michael Schildberger to join with me in 1983 to make business advisory programs. From then on, Michael was a convert to business programs, and nothing was going to hold him back.

1. The "Business" in Business Essentials

While Michael was already media-prominent in the Whitlam days in Canberra (1972-75), I was finishing my doctorate in Cambridge, in tariff theory and econometrics. I came back to Australia in 1973 with two young English-born sons, settling in Brighton where my wife Margaret had been brought up. Margaret's father, Alf Goodfellow, was in business, and his closest friend was Mal Brumby, current Victorian Premier John Brumby's father. As 1974 unfolded, the economic mess being created by the Whitlam government starting with the radical 25% tariff cut in July 1973 made gold for young economic commentators who were not ALP-aligned. Businesses also grabbed me and my academic career was bound to be diverted by business's insatiable appetite for my advice and my needs to raise a growing family that got to four children by 1980, and to enable Margaret to stay at home with them. I was prominent on the ABC from 1974, especially on programs known as *AM*, *PM*, *Notes on the News* and *News Commentary*. I met Alan Carroll in 1975 and he had effectively invented some of these programs, with Clive Speed, and pushed me into them with his persuasive oratory. Around the same time he was pushing the fledgling Campbell McComas, who had just done his Monash send-up of Professor Glanville Williams of Cambridge and made a career that occupied the rest of his all-too-short life. I knew Alan and Campbell well by the later 1970s, as close friends. Michael Schildberger was already a household name, but I hadn't met him in person until about early 1983. I elaborate on this below. Geoff McComas, Campbell's father was also well known to the general public. I did not know at first that Geoff was associated with Michael in media training ventures.

In 1976, the Australian Industries Development Association (**AIDA**) which I had worked with on an occasional basis, and which represented only larger mainly mining and manufacturing companies, approached me to take leave from Melbourne University, set up a research centre in Melbourne (where AIDA was from 1925 to 1966) and take over the organisation when the Canberra-based CEO retired in 1978. I was already working privately with many big companies, like BHP, CRA, CSR, ICI (now Orica), as a behind-the-scenes consultant and economic adviser. During this time, I invented a monthly two-page briefing note on economics for business people, covering much of the ground that Michael and I later designed for BE. The notes were called *AIDA Briefing papers*. They were an

instant success and I got strong personal notes from business leaders like Sir Peter Derham and Sir Rod Carnegie praising them.

In 1976, I was picked up by the **Liberal Party**, then back in Government, as an official adviser to the Treasurer. The link was **Ainsley Jolley**: a former colleague of mine at Melbourne Uni who was politically committed (I refused to be!) and went to Canberra to work with Phil Lynch right after the Libs lost office in late 1972. I went public, supporting the Libs back in the 1974 election and was working with them from June 1974 until they got back into office with the drama of November 1975. PM Fraser then just dumped all of us who were not on the paid staff, urged by Treasury to do so. Ainsley worked to rehabilitate those of us he liked and my position became official in March 1976. The Ainsley Jolley connection did not stop there: Ainsley told me that he had very close links with the Canberra press gallery. The Master was Alan Reid, the best print man was Paul Kelly and the electronic media person to be trusted most was Michael Schildberger. I took leave from Melbourne Uni for the entire years 1977 and 1978 to go with AIDA, but decided to hand over the reins in late 1978 to Geoff Allen, who evolved AIDA brilliantly into what is today the **Business Council of Australia**, a big-business advice and representation body, as it always was.

So what's the significance of the AIDA briefing papers? First, their content was the model for BE's program of advice to business. Second, it was plain that many business people wanted a more penetrating business focus than anything the public media was giving them. Third, it was evident that I was mainly fraternising with the bigger businesses, and I wanted to help a wider range of businesses. I vividly remember an **Australian Institute of Management (AIM)** address in about 1979 when I was tackled in private, after the address, by a smaller-business operator, an AIM member, saying people like me don't care about small business which can't afford people like me. That hurt me, but he was probably right. It left a lasting impression.

I was on overseas study leave in 1981 and until February 1982. On return I was very active in **CEDA**, (Committee for the Economic Development of Australia) of which I had been Economic Advisor since 1977. I had invented several oral and written briefing services for members, and CEDA's coverage was much broader than AIDA's, spanning into smaller businesses. With **Alan Carroll**, who had a close connection with CEDA as well, we spawned the idea of making business briefings. In 1982, Alan and I, with our wives, set up a company called **Videoeconomy Productions Pty. Ltd. (VEP)** to make these briefing services. Using a SuperScope recorder we made pilot audio tapes, almost entirely featuring Alan and I with the odd business friend giving business tips, which was the model for what Michael and I later converted into "success stories". We also wanted to make videos and recorded VHS versions as pilots. Alan wasn't so keen on the videos but agreed to go along with it. He was fanatical about sound barriers and we constructed a makeshift studio in our renovating Brighton house with baffleboards. All our attempts to develop what we called **Business Briefings**, based on the old AIDA name, had failed within CEDA. As 1983 emerged, I was looking for a different outlet, still with VEP as our formal structure. Without doubt, the "Business" part of **Business Essentials** came from these origins.

Alan Carroll combined an encyclopaedic knowledge of countries and companies with total fluency and was a creator of ABC business media initiatives in the 1970s. His approach could be a touch powerful, and that often put people off. When I eventually introduced Alan to Michael Schildberger in late 1983 in the formal BE set-up, I could read Michael's face as one of total amazement. They

grew to like each other, and Michael's respect for Alan's business judgment, is recorded directly in *The Sorcerer*.

In the period 1980-1983, I made a number of business briefings without Alan Carroll, especially on business regulation, trade practices, law, and tax and accounting, all of which Alan treated with limited tolerance. With Robert Clemente, I was recording a video service (**BLEC**) for lawyers and business people about legal developments and risks; in Perth a group chaired by Bob Baxt in Melbourne was making video tapes for accountants known as **VIS** (Video Information Services). There were others in planning. I was involved in nearly all of them. Some collapsed before any of us was paid. Michael Schildberger knew little about these events and experiences when we met, but he wanted to know. We started talking in detail about what became BE, but many hours were spent briefing him, especially on those significant journeys to Sydney which Michael recited in *The Sorcerer*. (If I dominated those conversations it was only because he kept asking such good questions that deserved full answers if we were to be fully risk-alert in developing BE.)

It's time to explain how Michael and I came together and how in detail BE was formed.

2. Michael and me: and those meaty meetings conceiving BE

If you put together the chronicle above with Michael's well-known media history from 1956 until 1983, as recounted frankly in *The Sorcerer*, up to when he and I worked together at the ABC, you can see that this was a match waiting to happen. The content in Michael's 3LO show around 1983-6 was riveting: no music, much discussion and information, and the Open Mike that Heather Dawson masterminded. I don't believe Michael knew much about me until I started appearing on his 3LO show, about early 1983. Our backgrounds were totally different, but we were both converging on what became BE. We both liked helping people. It was time to help small business.

The "**Number One**" video production of Westpac, on which both Michael and I have both written, was the catalyst that got us talking to start BE; it commenced about August 1983. It was shot monthly, always on Sundays, in Channel Nine's in north Sydney. Michael and I met at Tulla, always travelling together, half the plane wanting to greet and compliment Michael. A few knew me, but I was more the voice than the face. Michael's account makes it look like a one-liner that led to BE's name being invented. But there were many plane trips, taxi rides and other meetings to develop BE, before and after the name was struck, and Michael was fascinated by my accounts of our attempts to get some sort of business briefing series off the ground, and how so many video attempts had fallen flat.

How Michael and I came to be on **Number One** together has to be central to the story of how BE was created. Tony Maine was associated with the Liberal Party in Canberra in the 1970s. He moved to Westpac in Sydney and conceived the idea of **Number One** as a monthly video tape to go to all Westpac Bank Managers to keep them abreast, and also to give it to industry and finance leaders: thus, "**Number One**", a sort of suck-up in each case. Tony told me his first task was to appoint an anchor man and Michael was the obvious choice and had agreed. I suspect that Michael had either recommended or supported me to be the economist on the show. I wanted to have Michael as the host and interviewer of **Business Briefings** for the same reason that Tony Maine did for Westpac.

The famous Sydney trip where the name was invented was either December 1983 or January 1984. I have diary references in February 1984 about BE meetings, so “BE was created in middle 1984” is a bit late, and also a bit narrow. That said, Michael’s account on the naming is totally accurate. I will just add that the toilet block was a worker’s toilet in a large demolition of a factory site in Zetland bounded by South Dowling Street, Epsom Road and Joynton Avenue just north of the Australian Golf Club, as our taxi headed for North Sydney (Sydney reference 76: 16L).

Michael and I had agreed that the name I was using, **Business Briefings**, taken over from CEDA and before that the AIDA series of briefing notes, was too bland and we wanted something more compelling. We were happy with the name ‘Business’, even though we toyed with alternatives: “financial” “economic”, “small business” and “company” being candidate adjectives. What was the noun? I’ll take credit for the adjective, and perhaps for some of the pressure I put Michael under. Michael deserves total credit for the word “Essentials”, and it all came from looking at that grubby toilet block. What is amazing is that Michael was always clean and decent to the core. He liked the odd slightly bawdy story, but not too much that way. Toilet humour was never his thing, even in private. Anyway, that’s how it happened. When we got home we rang each other: our wives had already approved and loved the name. **Business Essentials** the product name was born. But it was not yet the company name, and we had a lot of work still to do on the product itself.

I do remember the December 1983 recording of **Number One**, because it featured a dominant theme on George Orwell’s provocative book **1984**: written in 1948, predicting a totalitarian state ruled by “big brother” and making the case for looking ahead to ensure whatever you can change gets changed. I recited many times to Michael the distinction between things a business can change and those it just has to read: government policy, interest rates, etc. We applied this planning principle in the development of BE.

Michael brought much of value to our BE planning meetings well beyond his renowned front-of-camera skills: media and advertising contacts, training for some who didn’t meet our expectations, terrific chairmanship and above all an insistence on case studies, especially positive ones, which we always called “success stories.” We had about 15 significant **BE** meetings from January 1984 to July 1984, some with just the ginger group of five: the two Alans, Geoff Slade and the two of us, some meetings with marketing advisers, nearly all of whom were Michael’s contacts. Often it was just Michael and me. Alan Carroll was the least frequent attendee. But he was a powerful and succinct contributor when he did attend.

Let’s get the sequence right: the core structure of the program was in place before Michael came on the scene or agreed to be involved; Michael and I agreed to do the thing before we invented the name, **Business Essentials**; the name Business Essentials was coined before February 1984, being some time after we agreed to do the thing and before we formalised our legal relationship; **BE** was **not** a company name until much later.

In one sense, BE’s origins go back to 1982, when the **Business Briefings** (audio tapes) and **Videoeconomy** (video tapes) were produced as pilots. They were never marketed commercially, but they got converted into the product always known as BE, from August 1984. In another sense, the planning for BE involving Michael and me was well advanced by later 1983.

The many meetings Michael and I had in later 1983 did not involve Alan Carroll, Alan Stokes or Geoff Slade, but we had resolved by agreement between the two of us to make a mixture of video and audio formats, my own preference being 50/50 and Michael broadly went along with this. Reciting the recent history of video failures scared Michael, including the failed attempts of the video programs Alan Carroll and I made inside CEDA called **Videconomy**, the same name as our company. I do not recall meeting either Alan Stokes or Geoff Slade before early 1984. Michael had always credited Alan Stokes with originating the Bruce Bond briefings. Undoubtedly those presentations triggered Michael's interest in business briefings.

3. BE Planning, Production, Marketing and the Launch in 1984

I do remember two very long meetings with marketing consultants MDA, which media guru Philip Adams had created with some others, and David Mattingley was involved. One of them was in April, 1984. There were about 5 staff from MDA; they produced written, bound reports they had worked up for us, emphasising the following:

- a. **WIIFM – what's in it for me?** A question we must keep asking, they said, if we want to sell anything to businesses: I replied with the economic terms: benefit-cost ratio or value added (all compared with existing free and paid offerings);
- b. **Test before you commit** – They recommended a pilot program hawked about for comments; we agreed but never did it: I'd had enough pilots;
- c. **Multi-pronged promotion** – especially for radical new products, because you will not know from experience what will work; thus also you will need:
- d. **Persistent evaluation of what works** – they spoke about codes on vouchers and so on to determine how people learned about you and whether they would keep buying and what they want more of or less of in relation to your product.

This was fabulous advice. It was largely new to me. MDA never expected to be paid: it was a favour for Michael. It greatly helped, but we realised that nobody had really been and succeeded where we were going. We would have to take all the hard decisions ourselves.

Other good fortune came in the form of Geoff Slade. Geoff had useful contacts, some office space he donated and considerable experience in business planning, even though personnel placement was his speciality.

Tony Maine had given the job of producing "Number One" to Steve Cossar and his company Broadcom. We began shooting it about August 1983. In early June 1984, a showdown with Steve Cossar took place. Steve saw a significant conflict of interest between the Westpac product and our proposed **Business Essentials**. Michael and I both disagreed with him, arguing that **Number 1** was for bank managers and captains of industry; BE was for smaller businesses. Steve was unmoved. We were given a choice and we both took BE. We never knew exactly what happened to **Number One**: we think it just died. We heard from several captains of industry that they complained about it ceasing or not having Michael or I in it, including several who admitted they hardly ever watched it!

Michael and I knew that a video presentation had enormous potential to display visual things, and a few big downsides: extremely expensive to produce, difficult for many business viewers to find space and time to watch, in the office or at home and needing total attention, compared with slipping an audio tape into the car travelling to work. Both Margaret Norman and Alan Carroll wanted mainly (or only) audios. I had a midway position; so did Michael. We settled on an annual offering of 7 audios, 4 videos and a bye. Very soon we got market feedback that sending nothing in January was unacceptable because smaller businesses had more time then to reflect on their business planning that at other times. Since about 1986, BE has always been 12 programs a year.

By middle June 1984, Business Essentials was set up as a joint venture between Michael's team of Geoff Slade, Alan Stokes and himself, on the one hand, and Videoconomy, being Alan and Adrienne Carroll and me and my wife Margaret. We decided as a financial back-up to seek sponsors and a mixture of all our main contacts bracketed here led to deals with our six main sponsors, accurately recalled by Michael in *The Sorcerer*: Telecom/now Telstra (Mel Ward), Australia Post (Don Eltringham), Coopers and Lybrand/now known as PriceWaterhouseCoopers (Roger Male), ANZ Bank (Don Edgar), Hewlett Packard (John Warmington) and National Mutual/now AXA (Eric Mayer). All these deals were in place by June 1984 in readiness for Wednesday 1st August: our first recording.

The August 1984 first recording of BE was in a dingy studio in Port Melbourne; it took 5 hours to complete. Michael was totally in charge, but tolerant beyond belief. There was too much of the 'talking heads' approach, despite my urging to avoid this. I constantly said, and Michael agreed, that if you took a sound track of a video and it made sense without looking at it, you wasted your time (and much money) in making the video.

Around the time that we made the first program we held a **BE launch** for creators, sponsors and friends of the fledgling BE family, at the Southern Cross hotel in Melbourne. (I remember wearing a turban-style bandage after cosmetic surgery just 2 days before.) This was great goodwill; but it might not have been good marketing. **What is good marketing?** I want to contrast two marketing experiments we pursued in the early days of BE.

First, in August 1984 we ran a number of expensive press campaigns, most prominently a two-day full-page spread in the Sydney Morning Herald costing \$11,000. It featured an imposing photograph of the five of us who owned BE. Based on MDA's excellent advice to make sure we knew exactly where every subscriber came from, and what motivated them to subscribe, we knew that we got just **3 customers from all this**. This was about the worst return from such expensive advertising effort imaginable. Michael and I monitored this scene daily, in conjunction with our sole paid employee. Within days, we pulled the plug on any generic advertising, at an emergency meeting of just Michael and me in our Tooronga Road offices.

A few months later, Michael arranged a deal with Peter Boyle, then heading the National Small Business Association. We would provide a sample audio tape, with an offer to subscribe for a year, with an NSBA discount. We scored about a thousand subscribers. Even more impressively, more than 75% of them renewed a year later. The message is: **focus on the audience you are targeting.**

4. BE: the product, if not the company name

While *Business Essentials* was the name found on our office doors, and the covers of our audio and video tapes, BE was not the legal name of our operations until our 'side' (Alan Carroll, first in 1985, and then me, in 1987) withdrew our equity interests. This needs careful explanation of how we came together and then partitioned.

Michael rightly said in *The Sorcerer's Apprentice* that he wouldn't go into business with me to create BE without involving Alan Stokes and Geoff Slade. As in so many things with Michael, and me, it was a matter of honour: Alan Stokes had sold the Bruce Bond briefings and more in his dreams to Michael, and Geoff Slade had an excellent business head that was needed in a radical new venture. They were Michael's reasons. I had the same sense of honour in wanting Alan Carroll involved, as we already had the fledgling BE up as pilot series, without anyone as commanding and skilful as an interviewer as Michael. Legally, Videoeconomy (VEP) was not a partnership, as Michael described it in *The Sorcerer*, but a fully-incorporated company, with Alan Carroll, me and our wives as shareholders and Directors. Michael's team and my team agreed to talk to our own accountants and lawyers. We came up with the agreed structure of forming a joint venture, which was an amalgam of Videoeconomy Productions Pty Ltd and Schil Productions: we always called it *Business Essentials*, but that was **NOT** then the company name.

Alan Carroll didn't last long in the BE set-up before his conflict with *Melbourne Big* caused him to quit. So the gang of 5 became 4: 3 from Schil and 1 from VEP. So why did I leave, at least as an owner of the BE that I had jointly founded?

By 1987, BE was well established and Michael was itching to expand. He was aware that video home shopping had been successful in the USA and he wanted to re-orient the BE resources towards it. He got Sir Peter Abeles interested and Peter gave him a large cheque to try the idea. I didn't like anything about it and tried to get Michael to make it a separate company without my involvement. There was already a problem with BE taking much of my time, and Michael would later leave the ABC to give BE his full attention. It was unfair that I stayed an equal partner without doing the same.

I didn't want to leave the University, and the prospect of home shopping poisoning BE terrified me. Perhaps I didn't understand that Sir Peter's money was a gift to gamble, and that BE would survive it. Meetings with Michael and Geoff Slade and then just Michael and me alone completed the exit negotiations. They were so amicable, especially as Michael secured my agreement early in these negotiations that I would remain on the programs, as a lightly-paid consultant and performer. That remains so to this day, and I have never missed a program.

Home shopping failed miserably, as I predicted it would; but BE survived it, as Michael correctly predicted it would. I still had to wrestle with my conscience and could not let Michael do so much of the work for an equal share of the return. It is the highest tribute to Michael that our strong personal relationship was maintained after the termination of my ownership rights in *BE*, right up to the time of his death.

At some stage, Michael did the obvious and sensible thing after my 'legal' departure: he changed the formal name of the company to **Business Essentials**. Indeed, in the separation discussions, I recommended he do that. There were many products in the suite of BE offerings, including Medical Essentials, Corporate Director, News Australia, and Business Essentials for Accountants, surgeons, stockbrokers and candle-stick makers. From about 1989 BE was owned by Geoff Slade and Michael, with Geoff McComas adding in the media training activities that he and Michael had done together for some time, but not as part of "BE" while I was one of its owners (1984-87).

5. Friends for Life, and BE Perpetuated

Michael Schildberger, Geoff Slade and I remained good friends to the end of Michael's life in June 2010. Michael asked me to play a prominent role as a musical entertainer at his 50th birthday party in Mornington, in April, 1988, more than a year after our amicable (equity) separation. In turn, my wife Margaret asked Michael to deliver the keynote address at my surprise 50th birthday party in March, 1996 at the Regent (now Sofitel) in Melbourne. It was just a superb oration, based on massive preparation, incorporating every bit of gentle aside he could muster and delivered at the world-class standard Michael always strived for.

In April, 2010, Geoff Slade rang me and asked me to join him for lunch with Michael and Nick Schildberger at a restaurant adjacent to BE's offices. Michael was quite unwell and ate little. Michael seized the opportunity to announce his intentions for the future of BE to the people he really wanted to hear it, and support it. We all did that. A short time later Michael recorded his links for the **BE May 2010**. Every word was clear, but much slower, and strained: it didn't sound like Michael. **BE June 2010** was finalised just days before Michael died, with Nick at the helm: the first **BE** ever not to feature Michael. But Michael was able to listen to it on a computer in hospital and glowingly approved it. The copy rested proudly at his bedside as he passed away. On Friday, 11th June, 2010, Nick and I recorded a tribute to Michael to head the **BE July 2010** edition.

Michael often confided in me about his health, the business, on people and proposed affiliations. Our equity separation did not deter him from taking me into his total confidence about many business arrangements, his family and his lovely wife Julia's rapid decline in health and early death in later 2006.

When Michael inscribed my personal copy of **The Sorcerer's Apprentice**: "One taxi ride that changed my life can never be forgotten", I had to say to him that any debt for carrying forward Australia's longest-running and sustained smaller-business advisory service was owed mainly to him. Through Nick's involvement, and now through his leadership of **BE**, that legacy lives on.

Vale Michael Schildberger.

Neville Norman

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