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# Work together for a bigger slice of pie

perspective

Collaboration is a path to profit, writes **Chris Nicol**.

RUNNING a small business in the information and communications technology space in Australia can be incredibly rewarding but it can be frustrating, too. Research and development dollars are hard to come by and lucrative export opportunities are few and far between for small players.

How does a small business get involved in Australia's National Broadband Network, for instance? Or make inroads into global supply chains?

According to the Australian Bureau of Statistics, small businesses made up 39 per cent of goods exporters in 2007-08 but accounted for just 1 per cent of revenue. Ten per cent of goods exporters were large businesses but they accounted for 93 per cent of revenue.

But if SMEs were to collaborate more effectively with each other and with research groups in universities, they might be able to establish critical mass and capture a greater share of those export revenues.

To date, such collaboration has been rare in Australia, even for large businesses. OECD figures suggest only 9 per cent of our firms collaborate with an external partner in the innovation process and less than 5 per cent collaborate with a university or research institute.

Concerned that high-tech SMEs were missing out on commercial opportunities, a group of peak research and industry organisations got together back in 2007 to form a "cluster" called Embedded Systems Australia.

Two years later, success stories are starting to emerge. Last month at Melbourne's Retail Expo, for instance, an ESA project called Oasis successfully demonstrated a platform for point-of-sale marketing.

The platform leverages a NICTA retail marketing technology called Tabanar and a point-of-sale media system from software developer DirectTV as an interface to the consumer. According to DirectTV chief executive Bill Horton, the technology rapidly delivers electronic goods – such as online movies and gift cards – in a retail space.

The prototype system demonstrated at the retail expo uses radio frequency identification technologies to wirelessly track and match goods to customer preferences and other characteristics. Oasis is now moving to the next stage of its product development.

Another project has capitalised on ESA's collaboration opportunities to develop wireless vehicle-to-infrastructure communications systems.

There is a vast export market opening up for this family of wireless technologies known as dedicated short-range communication systems. These technologies are expected to be in half of all new cars by 2015.

This ESA project aims to demonstrate how vehicles will communicate with the roadside environment to prevent collisions and help manage congestion. A large truck, for instance, would be warned when it is approaching an overhead bridge that is too low or a traffic light can inform the driver about light timings to reduce emissions at intersections.

The members of the project, each with fewer than 20 people, have access to seed funding awarded in March by the NSW State Government through Industry & Investment NSW. Each participant owns a specific piece of the project and when government contracts are available in the future, they will have a stronger chance of competing for a piece of the action.

Putting small businesses in the frame for large and lucrative contracts in the information and communications technology space is what ESA is all about. NICTA would also like to identify opportunities for SMEs to get involved in Australia's National Broadband Network.

ESA is open to new members and sponsors. They also have educational outreach activities to encourage school students to consider technology careers. Further details at embeddedsystemsaustralia.com.au.

*Dr Chris Nicol is the chairman of ESA and the chief technology officer of Embedded Systems at NICTA.*