

## 'HEL's Angel' – Unlimited Magazine Dec 04 – Jan05

Been there, done that. For Phil Holliday, a doyen of the Christchurch high-tech industry, it's time to plough some dollars and expertise into nestling companies like the one he started from scratch 14 years ago, to see if he can make a difference. And hopefully some dosh too.

UK-born Holliday arrived in New Zealand in 1990 with a Kiwi wife, years of management experience in listed engineering group FKI, and a "burning desire" to prove that he could run a company of his own. So he launched Holliday Electronics in his front bedroom ("at one stage we tried to get Telecom to give us 0800 GO TO HEL, but they wouldn't"), initially doing contract work for the stalwarts of Christchurch's electronics industry, Tait and Switchtec. Holliday's first employee and one of several staff who became shareholders in the business, Grant Pugh, recalls that Holliday's aim from the outset was to "have fun and make money".

As startups go it all went pretty smoothly, and within a few years the boys from HEL had built a reputation as well as respected electronics designers. By the end of the 90s the company had renamed itself Holliday Group, acquired 18 employees, had moved into the emerging market for wireless data mobility and was the largest Palm application provider in Australasia, turning over around \$2 million a year. All profits were being ploughed back into the business, but even so, "it was a slow way to grow", recalls Holliday. "We couldn't even afford to go and open an office in Australia."

And there wasn't much investment capital around to speed things up. "If it was today, I'd have been down to the Canterbury Development Corporation, which he's hooked in to. But Holliday Group didn't just need capital – it needed a backer that had well-established channels to market. Luckily, by 2000, interest in the wireless market was running hot and Holliday soon had potential buyers sniffing around. In the end Holliday Group was sold to UK listed company Itouch in December 2000 in a deal worth up to £7 million. Part of the deal was that Holliday would remain with the company on a management contract – a stint he has just completed.

Under Itouch, the company has gone on to double its turnover every year for the last three, and now has a staff of 45. "We couldn't have done that without a significant outside investor," says Holliday.

So now the affable, grey-bearded 57-year-old is ready to do his own thing again. "There are all these businesses in the technology sector that are at \$2 million revenue, and can't get to \$10 million revenue. They don't have the expertise and experience but they have guts and determination, and they just need some help."

His years of experience have taught him a thing or two that he'd like to impart to others: "knowing what I know now about Holliday Group I'd have built it with the controls and governance of a listed company, and would have had the due diligence ready to roll out, and understood what an investor wanted. That's the kind of message I'm taking to other companies."

He set himself a target: take a year to find five companies worth investing in, then roll up his sleeves and help with strategy, contracts, and growth. In fact, it took just two months to find his first five. He'll only name three of them so far: horticultural mapping company Frontier Mapping, electronics company EDAC and IT company Cleverscope. In some cases he's injected cash and in others he has taken a stake in exchange for sweat equity.

"My premise was five companies because you should be able to make 80% of the difference one day a week." He's having such a good time he now has plans to invest in a further ten companies.

"He's a good guy with people and he can open doors," says Cleverscope founder and majority owner Bart Schroder. "There are not many people like Phil around – interested in technical companies and with cash to invest."

As Pugh says, "Phil's a great motivator of people. He'll generally talk common sense, to the point of being blunt. We could have used someone like Phil Holliday back in the early days."