

# Plumbing the tech market

Brett Chenoweth and Danny Gilligan's technical support service Gizmo is continuing to grow year on year despite the current downturn. Gilligan puts it down to the expanding market and the company's focus on excellent customer service. By **Andrea O'Driscoll**

**WHEN BRETT CHENOWETH** and Danny Gilligan were first thinking of names for their fledgling business, Gilligan came up with Digital Plumber. While not the name they eventually went with, it sums up the concept behind Gizmo perfectly.

As technology becomes increasingly complex and an increasingly integral part of most people's homes, providing assistance with the installation, maintenance and use of that technology has become a new kind of trade. People can now call out a technology expert to troubleshoot a computer failure in much the same way as they would call out a plumber to fix a leaking pipe.

Launched in Sydney in August 2006, Gizmo offers a telephone and in-home support service for a range of technologies, from setting up your home computer, to wireless installation, software updates and troubleshooting. Simple problems can be dealt with over the phone, while the company's team of 'gizmotechs' can also come to your home to deal with more complex or lengthy issues.

Surprisingly, neither Chenoweth nor Gilligan has a technical background. "We worked together for about four years at Telecom New Zealand, based in Australia," explains Gilligan. "Brett's a media guy by background. He's worked as general manager at Village Roadshow and was a member of the NineMSN team. He was first employed by Telecom NZ in the group strategy and mergers and acquisitions department."

Gilligan worked for KPMG in corporate finance and joined Chenoweth running the consumer business at Telecom NZ before they started Gizmo. "We were very hands on in the business from the outset, even

though we'd started a technology services company and neither of us knew the first thing about computers," he says. "But then that's probably part of the reason why we spotted the opportunity."

As Gilligan and Chenoweth began looking for an entrepreneurial opportunity, their lack of technical expertise helped them empathise with ordinary consumers faced with the current explosion in technology. "We were looking at all the emerging technologies and thinking how on earth are ordinary people going to manage with the incredible complexity of what will come down the pipe in the next five to ten years," explains Gilligan. "We couldn't see how the limited technical support models that were out there could possibly cope with the inevitable increase in demand."

When they looked into it in more detail, Chenoweth and Gilligan were struck by a number of interesting service models that had started to crop up around the world. "There is one in America called Geek Squad, which has been a phenomenal success," says Gilligan. "It's grown from 50 people in 2002 to about 12,000 people today. I think they've generated somewhere in the region of \$1.5 billion of revenue in that time frame."

Buoyed by the success of Geek Squad, Chenoweth and Gilligan thought big from the outset. "Geek Squad gave us confidence that you could professionalise what has traditionally been a very cottage industry and create a brand in this space that people can trust," explains Gilligan. "We wanted to create an experience that was consistently high quality and also to provide a career path for people who want to work with technology in this space. Also, and perhaps most importantly, we

implemented systems and processes that have enabled us to partner with industry. It's fair to say that our eyes have been way bigger than our stomachs from day one. The first person we hired was a head of people and culture."

This focus on the internal culture of the business is a reflection of Gilligan and Chenoweth's conviction that people are the key to the success of a service business such as Gizmo. "We spent the first six months designing an HR strategy, because people are absolutely essential to our business," explains Gilligan. "For a business of our size, we have a very sophisticated HR strategy and it's constantly evolving. We spend a lot of time working on our recruitment methodology and a lot of time focusing on rapport building in our induction processes."

Gilligan also attributes much of Gizmo's success to the early appointment of its marketing manager and to the systems set up by its chief technical officer. "Once we had those people in place we started recruiting the people who would actually be going into people's homes," he says. "Probably the most consistent bit of feedback we get from our customers is thank you for not making me feel like an idiot — which says a lot about how they have been treated in the past by technical people."

While Gilligan is happy to liken Gizmo to a trade-based business such as plumbing, he's keen to disassociate his technicians from some of the poorer practices of traditional tradespeople. "We're always on time," he explains, "and we have fixed prices, which is a big break from the industry standard of charging \$100 per hour. That's important to our customers because if they're not technical there's a ▶

certain degree of anxiety in being charged by the hour. We simply take worrying about money out of the equation."

From the outset, Gizmo employed the usual direct marketing strategies, including a Yellow Pages listing and a web presence, but what set it apart from its key competitors was its partner strategy, which involved forming key alliances with blue chip technology providers and vendors. "We approached telecoms companies and technology vendors and formed agreements where they effectively distributed our service," explains Gilligan. "We knew that there were a lot of organisations out there that had real customers with real problems with technology that would benefit from our service."

Today, Gizmo enjoys Microsoft Gold Partnership status and service arrangements with the likes of Telstra, Harvey Norman, JB Hi Fi and Dell. It is the first time that Dell has partnered with a technical support service provider in Australia. "We were very fortunate at the beginning with some of the organisations we partnered with," says Gilligan. "There was such a dearth of organisations out there that they had confidence in being able to provide a quality service, they were willing to work with us as we grew our business. It put a lot of pressure on us to build a national presence as quickly as we could, but luckily the two sort of went hand in hand. The fact that we already had partners made more people want to partner with us."

The company moved into Victoria soon after launching with the acquisition of the Melbourne-based Nerds for Hire. "We bought that business because while we had a great idea and a great brand, we lacked the down and dirty, on the ground experience that Nerds for Hire had," explains Gilligan. "It was a very small business, but it had been operating in that space for longer than anyone else we knew of in Australia. So we were in Sydney and Melbourne almost from day one. We moved into Brisbane and Canberra within about five months and Perth and Adelaide within a year after that. Hobart and the Gold Coast came on board last year. We're now in every capital city except Darwin."

Plans are also underway to roll out Gizmo's service regionally. Chenoweth and Gilligan have opted for a franchise model as the best way to penetrate regional Australia and maintain the highest



Brett Chenoweth and Danny Gilligan have developed a franchise model for their technical support service Gizmo.

standards of customer service, and are looking to roll it out fairly aggressively over the next year. "Initially we're targeting Wollongong, Newcastle, the Central Coast, Geelong and the Sunshine Coast," explains Gilligan. "But we're interested in any market that is big enough to support a technology service provider."

Gizmo has developed a system to ease the administrative burden of running your own business and each of its franchisees stands to benefit from the client partnerships it has developed. "It's essentially a man in a van franchise, but the proposition that we offer, which is unique in this space, is that we have blue-chip partnerships that will drive business your way from day one," explains Gilligan. "Our technology platform will look after things like the scheduling, invoicing and inventory management. So we're enabling people who love working with customers and computers to work with customers and computers and not have to worry about the administrative nightmares of running a small business."

A Gizmo franchise costs \$30,000, which includes all the technology needed to run the business and comprehensive training. Franchisees are required to lease a Gizmo branded vehicle in addition to the fee. The first five franchises should be up and running soon.

"We probably only have around 1.5 per cent market share at the moment, so the potential for growth is just phenomenal," says Gilligan. "The biggest driver of technology service providers in the domestic space is broadband adoption and that is continuing to be rolled out. We believe this market will continue to grow by double-digit percentages year on year for the next five years and we plan to grow with it." ●

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