

A life in uncharted waters

The adventure continues for a German entrepreneur taking on Australia's big banks, writes **Miriam Steffens.**

What would possess a successful European businessman to pack his wife and five children on to a 40-metre yacht, sail the seven seas to the other end of the world and set up in Sydney with a mission to take on Australia's big banks?

To be truthful, the settling-on-Australian-shores-part was prompted by an accident: his boat struck a reef off Fiji and had to be serviced in Australia, bringing Jost Stollmann and his wife to Sydney on a stunning winter's day in 2003. "We fell in love with the geography of the city, with the climate of the city and the culture of the city," he says.

But the story reflects the ideals of challenge, free enterprise and exploration that define this German businessman's career. Stollmann, who is the biggest shareholder and chief executive of Tyro Payments, a company providing eftpos payment services, has always liked to do things differently.

Having made his wealth with an IT services company in Germany that at the time of its sale was turning over €1 billion, he walked away from becoming economics minister of the world's third-largest economy days before being sworn in. Instead, he gave lectures promoting a US-style entrepreneurship culture "to his risk-averse countrymen and took his family on that journey. He found a new frontier in Australia's oligopolistic banking system, seeking to carve a niche in the \$400 billion card transactions business.

Tyro is positioning itself as an alternative to the payment systems offered by the big four banks, using an internet protocol technology to process debit and credit card transactions which it says is faster, cheaper and more reliable. A recently announced increase in fees for eftpos terminals, to start in October, has given it new ammunition.

Stollmann enjoys recounting how he was called crazy to challenge the big banks when he joined the business in 2005. The company now works with 6000 merchants and has a sizeable foothold in processing Medicare claims. It has been ranked the nation's fourth-fastest growing business by *BRW* and, after six years in the red, has "break-even in view".

It is obvious the 56-year-old relishes his underdog status. "We're the anti-bank," he says. "Innovation is hampered in Australia by the fact that the banks own and control everything, from the terminals through the networks through the back-office systems."

It is not the first time he has cast himself as David versus Goliath. Having come back to Germany after his university years in France and Harvard, and some ventures that included a start with the Boston Consulting Group in Chicago, Stollmann founded his own IT company when he was 29.

In the mid-1980s technology was moving from mainframe computers to PCs and open data networks. Using components from different makers, Stollmann competed with the big names of the day: IBM, Siemens-Nixdorf, Hewlett-Packard. His business, CompNet, became the



Challenger ... Jost Stollmann says he is attracted by "new things and the courage to try them". Photo: Steven Stewart

THE CV

STOLLMANN, Jost
Born January 1955 in Duesseldorf, Germany.
Education Law degree from Université de Paris Assas, diploma in political sciences from Institut des Sciences Politiques, Paris, then MBA from Harvard Business School.
Occupation Since April 2005, executive director and chief executive of Tyro Payments.

largest IT services provider in the country – and Stollmann one of the first big shots of the new economy era. "The PC market exploded," he says. "It was a new land and it was up for grabs." The key was to find investors to help fund the company's growth, letting it double sales every year. It was the days before debt became a four-letter word but the concept was unusual in Germany. With some partners keen to pay down debt as the business

CAREER
► Founded the IT services company CompNet near Cologne in 1984 and ran it until it was sold to General Electric in 1996. Stayed as a GE executive for a year.
► Germany's opposition economics and technology spokesman in 1998.
Recreation Circumnavigated the globe from 2002 to 2004.

for his promise of striking a new middle ground between the incumbent conservative government and the left wing of his Social Democratic Party.

Stollmann was Schroeder's spokesman on economics and technology during the 1998 election campaign, ruffling feathers by criticising Germany's "overburdening social welfare system".

Days before being sworn in as a minister after Schroeder's landslide victory, Stollmann made headlines again. Feeling undermined by a tug of war over his portfolio, he walked away. "It was an obvious decision [for] somebody like me who was not a politician but an entrepreneur joining a cabinet for a project," he says. "If he doesn't get the full support of the man in charge – the chancellor-elect – the project was doomed."

For the next major project he took charge again – a long-held dream of circumnavigating the world with his family. Their custom-built yacht for the 754-day journey Alithia, had broadband and satellite connection, intensive-care medical equipment and stylish living quarters of Canadian maple and stainless steel.

With teachers from France, Germany and Switzerland and security officers who doubted as paramedics and crew, the Stollmanns sailed to the Galapagos Islands, Melanesia, cyclone-devastated Tikopia in the Solomon Islands, Sri Lanka and Burma. The journey ended at the 2004 Olympics in Athens.

Stollmann says it was an

opportunity to spend two years with his children, then aged six to 14, and teach them to understand different cultures and "see our own world from a new perspective".

Settling in Sydney afterwards, and looking for "something new and something that could make a difference", he hooked up with venture capitalists and private equity investors, and was eventually introduced to three Australian computer networking engineers who had created their own internet-based eftpos payment system.

It was a high-risk start-up, taking on the big four banks in one of their main fields, yet it found crucial support from the then Reserve Bank governor, Ian Macfarlane, who sought more competition in the payments sector and offered a specialised bank licence for card transactions. Tyro was the only non-bank to apply and, after lots of red tape, processed its first transactions in late 2006.

"Tyro is the word for the newcomer, beginner, challenger," Stollmann says. "Everybody said I was crazy because you cannot challenge the oligopoly."

What drives a multimillionaire such as him to keep working when he could just kick back and enjoy the good life? A wife who does not want him hanging around the kitchen table, for one.

But then he gives a more earnest response. "The new things attract me and the courage to try them. That includes the idea that lots of them fail, and that's OK."

Asked if there was still risk of failure with Tyro, he says it is more a question of how successful Tyro will be. "Will Tyro be a niche player that has proven some innovation, or a game-changer?" He says it is very much in the community's interest that his company will be a game-changer.

The ambitious executive has no plans of going away any time soon. Alithia has been sold, and Stollmann and his wife Fiona became Australian citizens in January. Rather than navigating the high seas, he has joined the Royal Sydney Yacht Squadron.

SNAP SHOT



Ten questions for ...
Maryanne Shearer,
founder and head of
the T2 tea company.

Q What was your first job?
A Coles delicatessen.

Q Name a business leader you admire.
A [I admire] people who break the rules and take risks, offer newness and fresh thinking. Steve Jobs is such an inspiration.

Q What's the secret to business success?
A People, passion, persistence.

Q The best piece of advice you have ever received?
A Work smart and hard and the rest will follow!

Q What is your greatest regret in business?
A Not having the confidence to take risks earlier.

Q What skills or qualities do you wish you had?
A Sometimes you need to "let it be". I have trouble with that – everything has to be perfect, all of the time.

Q What are you reading?
A *The Birth of Venus* by Sarah Dunant, a book-club book. Loving it! And a heap of magazines.

Q What are the highs of your current job?
A Watching the T2 team grow. It amazes me constantly

that there are so many of us now. We have created a tea culture that has absolute passion not just for tea but the very best retail experience. It's fun; we have a great time.

Q And the lows?
A As the company grows I spend more time on business than on customers and product. I suppose this is more of a speed hump than a low.

Q How do you achieve work-life balance?
A I work just as hard on my home life as I do on my business, but surprises happen in equal parts on either sides, and that's what keeps life interesting.

Growing a business and a family at the same time is certainly a challenge but it's wonderful.

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Jost Stollmann

