Amicable split: why team of 40 left for start-up

Lifelenz CEO Dr Stephen Kirkby settled on workforce management as his area of choice after a nudge from his wife, a nurse, who was alerted to a shift change at 3am. PHOTO: BEN SEARCY

Yolanda Redrup

In 2017 Dr Stephen Kirkby, the former head of Accenture's digital business globally, decided to leave the consultancy and take his team with him.

Ordinarily, an exodus like this from a big professional services firm would trigger non-competes and other contractual clauses, possibly even a lawsuit. But Dr Kirkby and his team departed amicably from Accenture to create workforce management software start-up Lifelenz.

Dr Kirkby, who joined Accenture when his former website optimisation business Maxamine was acquired by the consulting giant in 2008, ran a team responsible for creating 15 per cent of Accenture's patents over a decade and built 22 platforms for the company, most of which are still in use.

So successful was Dr Kirkby's team that he had the goodwill within Accenture to leave and create Lifelenz, while continuing to maintain some of its more complex neural network platforms.

"I was able to take out 40 people with me, and we did it in an intentional manner," he told *The Australian Financial Review*.

"I've got some of my old students [from the University of Adelaide] still working with me. The core team have been with me for 15 to 20 years and I wanted ... to pay them back in some way for everything we'd done ... putting a new entity together that each person could participate in and benefit from.

"We had delivered so much value. So with their blessing ... we did the handover work, and considered what area we wanted to go into."

Lifelenz, which employs most of its staff out of an office in Adelaide, has now raised $US32 million ($45 million) in a Series B round led by Sydney and New York-based venture capital fund Tidal Ventures and local institutional investor Ellerston Capital.

The business uses machine learning to analyse and optimise workforce rostering and compliance, considering factors such as the weather forecast, historical sales, events and labour laws.

It started out servicing the fast-food sector, known as quick-service restaurants (QSR), and is expanding into retail, supermarkets and casual dining.

It can use artificial intelligence to forecast sales with less than a single-digit percentage error margin, and ensure businesses are staffed appropriately, there is no bias in rostering and people are working in the right roles, there are no scheduling conflicts and compliance is "near perfect".

Having launched the product in 2018, the company has now signed up most of the big-name fast-food chains in the US as clients, and its software is used by 150,000 people daily.

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"We approached QSR [players] in Australia, went through stores, and saw they were still doing paper [rostering] in some stores," he said.

"We took a prototype to them, and they partnered with us straight away.

"Concurrently I was contacted by a global CIO [from a major QSR in Chicago] who knew of mine and my team's work, having done projects for them before. There's a good couple of hundred thousand staff in this industry in Australia, but there would easily be over 20 million in the US."

Dr Kirkby settled on workforce management as his area of choice after a nudge from his wife, a nurse, who was alerted to a shift change at 3am and said, "you can fix this".

Having spent the better part of the past decade in the US, Dr Kirkby enlisted Morgan Stanley Australia to connect him with local investors.

In early 2021 he was introduced to Tidal Ventures managing partner Grant McCarthy (now a board member), who was attracted to the company having learnt about the industry through an earlier investment. Mr McCarthy said Tidal Ventures had backed a wage compliance start-up, but discovered that it was challenging to do this successfully unless you also spanned demand, rostering and compliance.

"There's lots of old legacy tech in this market and what we're seeing is a migration from these systems to cloud-native systems for the first time," he said.

"[The funding] gives us a two-year runway. It's a good base of capital raised for an early business, which is trying to get to 30,000 or 40,000 stores in the next few years.

"It's been able to provide stores about a 30 per cent uplift in profitability."

Now that's a feat; St Baker debuts second Nasdaq listing in two weeks

Matthew Cranston
AFR correspondent

Washington | Australian coal and renewable energy baron Trevor St Baker has broken a record for listing two companies on the Nasdaq in two weeks, after graphite processing company Novonix hit the boards in New York on Tuesday (Wednesday AEDT).

"They are starting to call me the new Crocodile Dundee of New York," Mr St Baker told *The Australian Financial Review* from the headquarters of his next business investment in Tempe, Arizona.

"Two little companies from Brisbane on the Nasdaq in two weeks – who would have thought that?"

Novonix's listing on the Nasdaq followed the listing of electric vehicle fast-charger Tritium.

Mr St Baker owns more than 20 per cent of both companies and rang the Closing Bell at Nasdaq MarketSite in New York's Times Square last week in honour of the Tritium listing.

Novonix produces synthetic graphite anode materials used in the making of lithium-ion batteries that power electric vehicles and other electronics.

The fact that both companies are critical in the electric car making space reflects the momentum in the private sector, with major manufacturers such as Tesla, Ford and GM ramping up EV production, and the public sector, with the US government committing to billions of dollars in spending on incentivising production.

The recently passed $US1.2 trillion ($1.6 trillion) infrastructure package, supported by coal industry supporter Senator Joe Manchin, but rejected by progressive Democrat Alexandria Ocasio-Cortez, includes billions of dollars of spending on EV charging stations and vehicle production.

Coal and renewable energy baron Trevor St Baker owns 20 per cent of new Nasdaq listings Tritium and Novonix. PHOTO: ROBERT SHAKESPEARE

A network of 500,000 chargers is expected, with $US5 billion in government funding for states to build a national charging network, along with $US2.5 billion for grants for innovative approaches.

The package also includes more than $US7 billion in funding to accelerate innovations and facilities across the battery supply chain, from battery materials refining, processing and manufacturing, to battery manufacturing, including components, to battery recycling and reuse.

"This is just the beginning," Mr St Baker said.

Mr St Baker, alongside former Dow Chemical Company chief executive Andrew Liveris are both on the board of Novonix. Former US Admiral Robert Natter is chairman. Coal investor Washington H. Soul Pattinson is also a major shareholder.

Novonix chief executive Chris Burns said the listing on the Nasdaq gave the company greater access to investors and was the logical place for its listing given its headquarters in Chattanooga, Tennessee.

"We have had a lot of meetings with investors in North America and many of them have mandates not to invest in offshore companies. So, there is demand for exposure in companies like ours," he said.

The company aims to produce 10,000 metric tonnes per year of synthetic graphite by 2023, with further targets of 40,000 tonnes per year by 2025 and 150,000 tonnes per year by 2030. It is in discussions with automakers such as Tesla, Ford and GM.

US Department of Energy Secretary Energy Secretary Jennifer Granholm toured the company's new plant in Chattanooga with Mr Burns late last year.

EVs set to match range of petrol-guzzlers by 2024

Colin Packham

Electric vehicles will have the same range as traditional cars by 2024, new research predicted yesterday – a forecast that would help dramatically increase sales of zero-emissions vehicles.

Demand for EVs in Australia has been curtailed by prohibitively high costs, a lack of government incentives, and concerns about their range.

But Bell Resources said it now expects that within the next two years, new EVs in Australia will be able to travel the same distance as an internal combustion engine type before requiring recharging.

"For years now, Australians have felt that the gap between EV and traditional internal combustion engine range hasn't passed the pub test, however, this will no longer be the case in two years' time," said Mark Avery, chief executive officer at Bell Resources.

"We're also predicting that EVs will reach cost parity in Australia by 2030 – this will significantly boost uptake as well as the need for charging infrastructure."

The improving range will coincide with significantly cheaper electric cars as supply increases, and Bell Resources expects EVs to make up 30 per cent of all new passenger and light commercial sales in Australia by 2030.

Should the forecast materialise, Australia is on course for a rapid transition to electric cars.

The trend threatens to uproot the local automotive industry and create opportunities for Australian companies. Spurred by state incentives, Australia has seen solid growth in EV sales over the past year.

Data published earlier this week showed there were 20,655 EVs sold in Australia last year, up 6900 from 2020. New EVs accounted for 1.95 per cent of all new car sales – still well short of traditional petrol-guzzlers, but up from 0.78 per cent of new sales in 2020.

Australia also continues to lag well behind Europe and, to a lesser extent, the United States.

EVs make up more than 11 per cent of cars in western Europe, and registrations for the zero-emission cars surpassed diesel types for the first time in December, data from the Schmidt Automotive Research showed.

In the US, sales are at about 3 per cent of total market share, but this is expected to grow quickly as President Joe Biden elevates reducing emissions to a key priority.

The increased demand for EVs has already boosted several Australian companies, which have positioned themselves to capitalise.

Tritium, a manufacturer of electric vehicle fast charging systems that last month listed on Nasdaq, is targeting an early opening to its US manufacturing site that, once built, will more than triple the company's capacity.

Carbon Revolution – a lightweight wheel maker – last week said sales had more than doubled in the last three months as a result of demand for EVs.

Lighter wheels increase the range of EVs, and Carbon Revolution has struck supply deals with General Motors.