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Life after the Valley

Edited by James Kirby

After three years in Silicon Valley, Tony Surtees has returned to Australia. In November last year, Surtees resigned from the internet search engine company Yahoo, where he was a vice-president and head of the commerce group, charged with increasing Yahoo's revenue. Now, in Sydney, he is working with two small companies, HotelClub and Phoneware, and occasionally lecturing on technology at Macquarie University.



TONY SURTEES: A "counter-intuitive" investor
Image: Phil Carrick

Surtees says he quit Yahoo for "non-commercial reasons" and declines to elaborate. He says his focus is on commercialising Australian technology. Most of his time is spent working as an adviser to HotelClub, an online hotel reservations company in which Surtees says he has a minority interest. "This is an amazing company with a global business running out of Sydney," he says. "It's got the potential to grow exponentially and it's barely been noticed. There is no venture capital money in this operation, just a circle of investors and advisers."

Asked if an online company working in the depressed travel industry might be a turn-off for most investors, Surtees says: "I know it's definitely a counter-intuitive investment but they can be the very best." HotelClub sells hotel-room bookings over the internet and offers discounts to clients.

Surtees is a non-executive director of Phoneware, a Melbourne communications technology company. Chaired by Michael Naphtali, a director of Hindal Corporate, Phoneware specialises in billing payment technology. Surtees says: "We've got a good team at Phoneware and technology that crosses key areas like accounting software and database networks. It's just that it is a very tough time in that market." Phoneware shares, which were trading at about 20 cents in August last year, stalled at 4 cents at the start of 2002. On March 22, its price was 4.2 cents. The company listed in 1997.

"The issue for everybody in technology now is the business model," Surtees says. "The technological possibilities they are discovering in Silicon Valley or elsewhere are as attractive as ever, but the focus now is on whether the business that houses the technology is truly sustainable."

Surtees says he is using his experience at HotelClub to develop his own skills as an investor and adviser. "I learnt during my time at Yahoo that the winners in the technology business are those that are best at the execution of their technology. This is what I'm interested in doing, getting companies to reach their potential. I want to do a lot more of this."