The investment we couldn't afford to make

Reflections from a SEDI peer learning project for First Nations founder-led businesses approaching $1M turnover.

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What happened

In mid-2025, Together Academy and Embrace Tech were engaged by Social Enterprise Australia to convene a peer learning community of 15 First Nations businesses on Indigenous enterprise leadership: sharing knowledge, building financial strength, and embracing technology.

We targeted a specific subset of Aboriginal social enterprise: for-profit, founder-led businesses approaching or clearing the $1 million turnover mark. We reached out. We had real conversations. Every founder we spoke to was positive about the idea and wanted to be part of it. We pitched the format as lightly as we could: three one-hour online sessions across the project.

We could not convene it. Not because we did not try, and not because the people we approached did not want to participate. We tried, and they wanted to. We could not convene it because the cohort we were trying to bring together did not have the time, and neither did we. That is the finding.

As convenors, we are part of the cohort we were trying to convene. The conversations we had with the founders we approached, and our shared experience as operators inside the same subset, are the substance of this piece.

The conversations we had

Across the project we approached twelve First Nations businesses fitting the cohort definition. We had direct conversations with founders across a range of industries, including consulting, professional services, creative industries, construction, retail, and industrial automation. The participants we spoke to came from the ACT, New South Wales, Queensland, Tasmania, and the Northern Territory.

In every conversation, the founder we spoke to expressed genuine interest in the peer learning concept and a desire to participate. None of the hesitation we encountered was about the value of the idea. The hesitation was uniformly about time. Even at the lightest format we could design (three one-hour sessions across the project), founders described the same constraint: they could not carve out the hours, even for something they wanted to do.

The conversations themselves became the data. What founders described to us when explaining why they could not participate was, in many cases, the very content the peer learning community was designed to surface. What follows is a synthesis of those conversations, alongside our own observations as convenors who sit inside the same cohort.

The subset

Aboriginal business is social enterprise. That is a position we have held and continue to hold, regardless of how the sector chooses to draw its categories. The cohort we were trying to convene is a subset of that broader truth.

Some businesses in this cohort are certified social enterprises. Some are not. The certification does not make a practical difference to the reality the cohort operates under. The day-to-day pressures, the demand we cannot meet, the staff we cannot afford, the founder load we cannot offload — none of that is changed by a certificate on a wall.

The distinction that does matter is for-profit versus not-for-profit, and the reason it matters is how the business gets paid. For-profit businesses earn through services. Not-for-profits can earn through services too, but they are also more likely to receive funding for service delivery, which softens the commercial pressure in ways the for-profit model does not. The cohort we were trying to convene is the for-profit side of that line.

The subset is for-profit. It is founder-led. It is Aboriginal-owned and Aboriginal-controlled. It is at the stage of growth where revenue is approaching or just past $1 million, where the founder is still doing most of the technical and strategic work personally, and where the team is not yet autonomous without the founder in the room.

We think this subset sits under more tension than most. Not more impact, not more worthiness, but more competing pull from more directions at once. The for-profit structure puts commercial sustainability and community obligation in direct opposition in a way that other structures soften. In a not-for-profit, social purpose is held by the board and the constitution. In a certified social enterprise, it is held by the model. In a for-profit Aboriginal business, the founder carries the tension personally. Every day. Every decision.

Take on the client who cannot really afford you, or don't. Train up the staff member who shows promise but will cost you eighteen months of capacity, or don't. Service the small mob organisation that needs you most, or focus on the commercial work that keeps the lights on. None of these decisions are easy and none of them stop arriving. The founders we spoke to described holding these decisions alone, without precedent and without peers who had been through the same.

The demand is there

We want to be clear about something that often gets lost in conversations about Aboriginal business support. The founders in this cohort are not in business because someone funded them to be. They are in business because there is demand for what they do, and the demand is more than they can meet.

Across the conversations, founders consistently described closed books, waitlists, and steady demand from Aboriginal businesses, community-controlled organisations, and not-for-profits asking for help they could not give. Several described having been unable to take on new clients for years. None described struggling to find work. They described turning work away.

This is the part the policy conversation often misses. The constraint on this cohort is not market viability. The market has spoken, and the market wants more of what this cohort is producing than the cohort can supply. The constraint is the capacity to scale to meet demand that already exists. The bottleneck is internal, not external. And the path past the bottleneck (past the $1 million turnover mark and into genuine operational scale) is uncharted territory for this cohort.

That is the finding inside the finding. The businesses in this subset are commercially proven. The demand is real. The work is needed. What is missing is the infrastructure, the capital, and the precedent to scale past where this cohort currently sits.

The potential

We do not want this piece to read as a list of constraints. The cohort we are reporting on is not defined by what is hard. It is defined by what it is producing and what it could produce if the conditions were different.

The for-profit, founder-led Aboriginal businesses at this stage of growth are training Aboriginal professionals into senior roles in industries that have historically excluded mob. They are servicing community-controlled organisations and small Aboriginal businesses that the mainstream market will not service properly. They are building wealth that stays in Aboriginal hands and gets reinvested into Aboriginal community. They are creating supply chain participation for other Aboriginal businesses coming up behind them. They are demonstrating that Aboriginal-owned, Aboriginal-led, profit-generating businesses can hold cultural and commercial integrity at the same time.

The potential of this cohort, properly resourced, is significant. Each business in this subset that breaks through to genuine scale becomes an employer, a trainer, a contractor, a buyer, and a model for the next generation of Aboriginal founders. The compounding effect over a decade is substantial. The compounding effect over a generation is transformative.

That potential is not theoretical. It is what the founders we spoke to are building, slowly and at significant personal cost, against a system that was not designed for it.

The question the cohort cannot answer

The conversations surfaced a question that none of the founders we spoke to could answer.

Has anyone in this cohort actually broken through? Who are the for-profit, founder-led Aboriginal businesses that have made it past this stage of growth and out the other side into genuine scale, without selling equity, without compromising cultural integrity, and without burning the founder out? The founders we spoke to could not name them. Neither could we.

And if anyone has broken through, what did it cost them? What got sacrificed on the way? Scale comes with trade-offs. A founder who scales a service business will, at some point, have to accept that the work will no longer be delivered to the standard the founder would deliver it personally. Quality will drop. Maybe by five percent. Maybe by fifteen. The systems and the second layer of leadership will catch some of what is lost, but not all of it.

That decision (to accept a drop in quality in exchange for scale) is one of the hardest decisions in this cohort. And there is no support to help founders make it.

Who does a founder in this subset talk to when they are sitting with that trade-off? Who has done it before and can tell them honestly what it cost? Who can help them think through which parts of the business can carry a quality compromise and which parts absolutely cannot? Who is funded to walk alongside founders in this subset through that decision?

As far as the cohort can tell, no one. The advisors who exist are either too generic to understand the specific cultural and commercial tensions, or too expensive to engage commercially, or too few in number to meet the need. The peer network does not exist because the peers do not have time to convene (which is the finding we opened this piece with). The funded supports that do exist tend to arrive in the form of grants with consultants attached, which is the pattern we will return to later.

So the cohort makes these decisions alone, late at night, after the day's work is done, with no one to test the thinking against. That is not a sustainable model for building anything.

The human cost

We want to be honest about what this stage of growth costs the people in it, because it does not get said often enough and because we think any policy maker, funder, or sector body engaging with this work needs to hear it plainly.

The founders we spoke to described working evenings and weekends, every week. Strategic work happens after hours because the day is fully booked delivering the client work. Laptops come to bed. Sick days are taken while still working. Holidays, where they happen at all, are worked through. Founders described sustaining travel schedules and workloads that would not be acceptable in any employed role, because the cost of dropping the workload is borne directly by the business and ultimately by the founder.

The load on families is significant and we want to name it. Partners absorb the absence. Children grow up with parents who are physically present but mentally still inside the business. The relational cost is real. The cumulative cost over years is not yet fully visible, and the cohort worries about it.

There is also a gender dimension that we want to flag directly. The travel-heavy, time-flexible founder model is more available to men in this cohort than to women. Family obligations sit differently. Several women in the cohort described businesses shaped by what they could and could not do as mothers running businesses, and the trade-offs are uneven across the cohort in ways the sector does not acknowledge.

Burnout in this cohort is not a possibility. It is something that has already happened to founders we know, and that the cohort discusses in conversations like the ones that produced this piece. The system founders are building inside does not have a stop signal. The founder is the stop signal, and the founder is the bottleneck.

This is the cost that needs to be visible to anyone designing support for this subset. Not as a complaint. As a description of the operating conditions. Any intervention that does not start from an understanding of these conditions will, by default, add load rather than remove it.

On funding that helps and funding that doesn't

One pattern came up repeatedly in the conversations and in our own experience as convenors: the gap between funding being allocated to support the cohort and funding actually arriving in a form the cohort can use.

Founders described being offered support packages that came with consultants attached, evaluation frameworks attached, reporting structures attached, or capability programs attached. In each case, the funding was useful in principle. In practice, the founder time required to manage the consultant, educate the evaluator, complete the reporting, or attend the program meant that the support became another draw on the resource the cohort has least of: founder hours.

This is the pattern we want to name plainly.

Do not give this cohort $120,000 to fund consultants the cohort has to educate. Give the cohort the $120,000.

The founders we spoke to can deploy capital better than the intermediaries who are routinely positioned between them and the funding. They know their businesses. They know their communities. They know what would help. What they lack is the working capital to act on what they know. Every layer of intermediation between the funder and the cohort is a layer the cohort has to manage, and every layer of management is founder time the cohort does not have.

The same pattern shows up in grant programs that require detailed acquittals, in peer learning communities that require founder hours to attend, in advisory boards that require unpaid sector contribution, in reference groups, in case study requests, and in capability framework consultations. Individually, each one is reasonable. Cumulatively, they are why this learning community could not be convened. The cohort cannot keep being asked to contribute its time to fix the conditions the cohort is operating under.

What would actually help

We are not going to pretend we have the policy answer. We do not. What we have, from the conversations and from our shared experience as convenors inside the cohort, is a clear sense of where the help is needed and where it is currently not arriving.

Working capital that funds wages. The bottleneck at this stage is not assets. It is the salary runway to bring on the second-in-command who could free the founder for strategic work. Banks and grant programs are comfortable funding equipment and acquisitions. They are not comfortable funding multi-year wage commitments for service businesses. That gap is the gap.

Funding instruments that understand loss years. Service businesses build customer base before they build profit. Any funding criterion that treats a loss year as evidence of poor management is excluding the subset we are reporting on.

No equity expectation. Stop designing growth capital around equity dilution. For Aboriginal businesses, equity is a sovereignty and control question, not a financial one. Build instruments that work without it.

Direct funding, fewer intermediaries. Where the funding is meant to support the cohort, route it to the cohort. Not to consultants who need to be educated. Not to peak bodies that need to be project-managed. The cohort can do the work if the cohort is funded to do the work.

Support to make the quality trade-off. Fund advisors who have actually done this. Fund peer networks that operate on the cohort's terms, not the sector's. Make it possible for founders in this subset to access genuine, paid, expert counsel on the scale-versus-quality decisions that none of them can make alone.

Resource the support ecosystem. The professional services this subset relies on (accountants, lawyers, IT providers, governance advisors) are themselves Aboriginal businesses operating under the same constraints. Investing in those businesses is investing in every business they serve.

Stop asking more of the cohort. This is the one we most want to land. If you are designing something to help this subset, design it so that it asks less of the founder, not more. The cohort already knows what the problem is. The cohort is already living the problem. What it needs is not another invitation to contribute time to surface what it already knows.

A closing acknowledgement

We want to thank Sherryl Reddy at Social Enterprise Australia for the way she has held this project. When we explained that the original deliverable shape was not going to work, she did not push back. She asked what would. That is what care looks like in commissioning, and it is the reason this piece exists at all.

We also want to acknowledge the founders we spoke with. You gave us your time when you did not have time to give. You were honest with us about why you could not participate. That honesty is the substance of this piece. The work is yours as much as it is ours.

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