For years Jost Stollmann, the chief executive of eftpos services start-up Tyro Payments, considered success to be survival. A good year was breaking even. Amidst the intense pressure of taking on the major banks in their own backyard, Stollmann was determined to build a culture at Tyro that would ensure the company’s long-term success.

“This is a culturally strong company,” he says. His proudest boast is that Tyro is a “very hierarchy-averse” business that “fosters enduring creativity and productivity”.

“Where does hierarchy help you? It doesn’t. The opposite is true. Hierarchy is a system based on distrust, it is averse to learning,” Stollmann tells *BRW*. “Peer culture is conducive to learning; hierarchy is not.”

Tyro, which provides credit and eftpos facilities for small businesses, as well as processing Medicare claims for patients, was started in 2003 by three engineers. Stollmann, a German technology entrepreneur who had migrated to Australia with his family in 2004, joined the company that year and became an investor and chief executive the following year.

The company was profitable for the first time in 2012, but it has been leaving its mark in the bank-dominated payments processing market for longer than that.

Tyro has featured on the Fast 100 every year since 2010. That year it was ranked by *BRW* as Australia’s fourth-fastest growing business. But growth does not always mean prosperity.

“Our first 10 years was a near-death experience,” he says. “Money [for research and development] was just going out of the door; every year there were fund-raising exercises. In Australia it’s very difficult to fund such a development so we were on a drip feed.”

Tyro has raised $33 million since it began, initially from family and friends, then wealthy individuals and finally “investors with a strategic interest” who saw Tyro’s potential. The company has 56 shareholders.

**The right man for the job**

Fortunately for Tyro, Stollmann had the pedigree, and the disposition, to see the company through the years of high expenditure and low revenue.
Stollmann, the holder of a Harvard MBA, was a management consultant with Boston Consulting Group in Chicago in the 1980s. He later started systems integrator CompuNet Computer in his native Germany, which he built up into a $1 billion a year company with 1850 employees; he sold the company to US-based GE Capital Services in 1996. After selling the business he briefly entered politics and served as a shadow economics and technology minister.

Illustrating that Stollmann is not your everyday businessman, when he arrived in Australia in 2004 it was the final destination in his two-year circumnavigation of the globe in a 40-metre yacht with his wife and five children, eight crew members and three teachers.

Such stamina has come in handy at Tyro, which didn’t release its first eftpos product until 2007. Two years later, in conjunction with Medicare, it launched the Medicare Easyclaim eftpos system, which allows medical patients to receive instant electronic payments of Medicare rebates into their bank account via an eftpos terminal at the doctor’s premises.

“Between 2007 and 2012 we were scaling up just to break even,” Stollmann recalls.

“Now, it’s all about growth, accelerated growth. The dramatic change, to switch our minds from survival mode to aggressive growth mode, it’s an interesting change.”

Tyro, which is licensed as a non-deposit banking business as a Specialist Credit Card Institution and operates under the supervision of the Australian Prudential Regulation Authority. Its business has now expanded to provide credit, debit and eftpos payment processing, gift and loyalty card services, and Medicare claiming and rebating services.

The company surpassed $4 billion in credit and debit card transactions in 2012. Revenue rose 38 per cent to $39 million in the 2013 financial year, from which the company emerged from the red for the first time, reporting an operating profit of $3.3 million. The previous year the company posted a loss of $500,000.

**No ‘fancy tricks’ in this workplace culture**

While the business has turned around, what has remained consistent has been the company’s workplace culture. Tyro employs 95 people.

Stollmann says the “Tyro way” includes the values of openness and transparency, learning and improving, mutual respect, diversity and work-life balance.

Stollmann is not into “fancy tricks” for promoting happy, creative and productive workplaces.

“The Tyro commitment is to provide the best professional work practices and professional work environment. The investment is focused on tools, skills and compensation,” he says.

“Instead of offering free fruits, coffees, drinks, breakfasts, social and video games, massages and pizzas during the night, we invest in technology, tools and job-relevant training, deliver flexible working arrangements . . . and foster an environment that encourages employees not to continue working after hours and to recognise effort and success.”

Stollmann describes Tyro as a “knowledge environment”, and such environments he argues do not respond well to hierarchies. Even as the business has grown, Stollmann’s priority has been to resist adding management layers to the business and to ensure that employees have the autonomy and the freedom to create and innovate.

“We have professionals here who are very talented and the worst thing you can do is deprive them of trust, autonomy and creativity,” he says.