





4 startups, 4 different industries, 4 different results and 2 ideas for startups which never made it past business plan



My favourite book



My favourite Aussie startup



Questions

Startup experience #1

GPayments

A Neurocom Company

Founded: 2000

Industry: Fintech – digital wallet

Capital raised: \$100k seed

Result: Cashflow positive, still operating

Key takeaways

- Global from day one. That is what the 'g' stood for and penetrated 30 countries
- Foundation customers included Visa, ANZ Bank, MasterCard
- \$2m product sale to Standard Chartered Bank eliminated need to do a capital raise
- Offshore development centre in the middle east to reduce costs



An example of a server-based eWallet, ActiveWallet, offering additional services such as online bill payment.



Launched 2011



Launched 2016

Startup experience #2

InfoWrangler
By Object Positive

Founded: 2001

Industry: Online Search

Capital raised: \$2m from a single angel investor

Result: \$0 revenue, shutdown 2004

Key takeaways

- Prior to the launch of google, local search engines were still operating
- Tried to commercialise a cross-referencing feature, rather than building a standalone product
- Operated across Melbourne and Sydney via virtual office
- Difficult to educate a B2B market on a new horizontal platform for cross-referencing e.g. law firm



Startup experience #3



Founded: 2000

Industry: Mastertrust platform for independent financial advisors

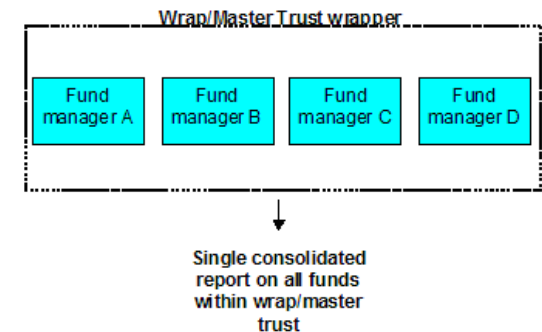
Capital raised: \$6m including VC investment from Pacific Equity Partners

Result: Sold to ING in 2006 for \$76m with \$3bn funds under administration

Australian Venture Capital Association award for 'Best early stage investment 2006'

Key Takeaways

- A strong management team left a competitor and took the relationships/contacts
- Pitch to channel partners (financial planners) was that Oasis was independent of the big 4 banks
- Lower operational cost than competitors through 'nearshore' operations centre in Wollongong
- ING then sold Oasis Asset Management to ANZ Bank – NO LONGER INDEPENDENT



Business plan which didn't make it #1

ezysplit.com

Founded: 2006

Industry: Fintech – bill splitting in restaurants

Intellectual Property: Provisional Patent

Capital raised: \$0k

Result: Couldn't build minimum viable product

Who did get funding and try to solve the problem?



CommBank Albert- 2015



ANZ BladePAY - 2016



Business plan which didn't make it #2



Founded: 2012

Industry: Strata property management

Capital raised: \$0k

Result: Minimum viable product developed – parked by founders

Who did get funding and try to solve the problem?



Founded: 2001, listed on ASX 2014

Industry: Strata property management

Capital raised: \$55m

Result: Today, market capitalisation of \$18m

Tried to enter the Internet of Things (IOT) market too early, before the market was ready

Startup experience #4 - Current



Founded: 2014

Industry: Disrupting energy audit industry in the apartment block vertical

Capital raised: \$1m seed

Result: 3 years in, cash flow positive



Use data from similar apartment blocks to create quick, simple energy reports

8 months later, 1 in 3 of the apartment blocks which get a report buy equipment from Wattblock

Wattblock milestones



Energy Startup
Pitch Winner
- Sydney



Best Social Change
Entrepreneur
StartupSmart



City of Sydney
Environmental
Innovation Grant



Collaborative
Solutions Innovation
Grant



Top 50
Sydney Startups
to Watch

Oct 2014

Nov 2014

Jan 2015

Apr 2015

May 2015

Jun 2015

Aug 2015

Apr 2016

Jun 2016

Aug 2017

\$40k Equity
Investment

UNSW Shenzhen
Pitch Winner

CEBIT Startup
Pitch Runner-up

Seed Round
(10 investors including
Peter Farrell, Resmed)

Innovation of
the Year
(NSW)



Wattblock customers

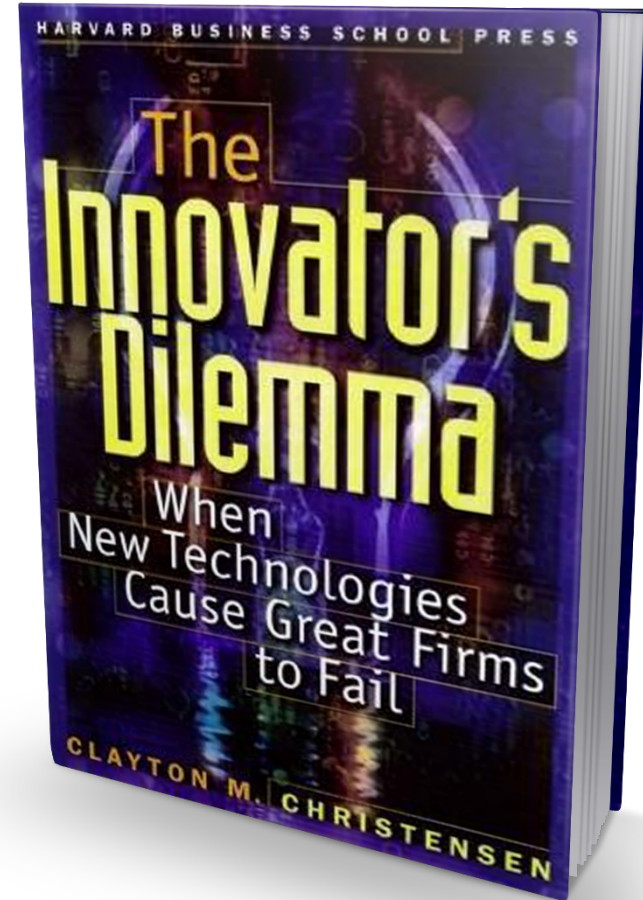


My favourite book

Book written by Clayton Christensen in 1997 which introduced the term “disruptive innovation”.

*“One of the six most important books
about business ever written.”*

The Economist



Disruptive Innovation Thesis – A Recap

- A disruptive innovation **initially offers a lower performance** according to what the mainstream market has historically demanded
- At the same time, it **provides some new performance attributes**, which in turn makes it prosper in a different market.
- As it improves along the traditional performance parameters it **eventually displaces the former technology**
- Disruptive technologies typically have a “**lower sticker price**” per unit than products which are used in the mainstream, even though their cost in use is often higher

“Mainstream customers can never use a disruptive technology at its outset”



Favourite Australian startup

Fairlight Music Computer - 1979

- First customer was Stevie Wonder who could use the “light pen” touch interface.
- 300 were sold worldwide at an average cost of \$125,000
- Used by Michael Jackson, Madonna, B-52's, Beach Boys, David Bowie, Dire Straits, Fleetwood Mac, Ice T, Petshop Boys, Prince, The Police, U2, Stock Aitken Waterman, etc.



Then this \$125,000 music computer was disrupted by the Atari ST computer \$2,000.

Questions



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Thank you