

STORY BERNADETTE SCHWERDT

# 10 STEPS to SUCCESS

The tried and tested strategies of Australia's top online entrepreneurs will help get your project off the ground and flourishing

**I T'S NEVER BEEN QUICKER,** easier or cheaper to set up an online business. Take a look at the top 10 secrets of success behind Australia's most innovative online entrepreneurs and discover the practical strategies they used to turn their ordinary ideas into extraordinary empires.

## 1 Know your business

You might think you sell swimwear, homewares or footwear but, if you're an online retailer, the reality is you're first and foremost in the data business. Being able to analyse data accurately enables you to make good marketing decisions, a key reason why nimble start-ups like Uber and Airbnb have been able to take on the behemoths of their industry and win.

It's instructive to hear what business some of Australia's leading online entrepreneurs believe they are in:

- Gabby Leibovich, Catch of the Day: "We're an analytics company that sells shoes."
- Matt Barrie, Freelancer: "We're a data company that sells creative services."
- John Winning, Appliances Online: "We're a logistics business that sells appliances."

## 2 Fail forward

If Shaun O'Brien, founder of the electronic accessories giant, Selby Acoustics, hadn't failed at his first business, he would not have succeeded at his second. He realised early that selling televisions (his original business) was fraught with difficulty: they break down, they are heavy and expensive to ship. But he also realised people also buy cords, wall mounts and brackets, all of which are durable and are cheap to ship. So he ditched the televisions, sold accessories and hasn't looked back. Like a phoenix rising, his second business grew from the failure of his first.

## 3 Test the market

Having the courage to put your product in the marketplace is the only real way to find out if people want it or not. The best way to do that is to create a minimum viable product (MVP). Simon Griffiths, founder of the social enterprise, Who Gives A Crap, which is an environmentally friendly toilet paper company, needed to know if people would buy toilet paper online before he invested in setting up a factory.

"We set up a Shopify store for \$40 and then went to the supermarket, bought a bunch of

toilet paper, found some boxes, packaged it up and then started mailing it to people. It cost us a stupid amount of money but it allowed us to test whether people would actually respond to the opportunity to buy toilet paper online."

Don't just talk about your idea – create a prototype so that people can buy it, offer feedback or even invest in it.

## 4 Hire wisely

If you have a limited budget but need to hire people immediately, think carefully about who you bring on board. Andre Eikmeier, co-founder of online wine retailer Vinomofo, wishes he'd done things differently starting out.

"We employed the wrong people at the start and it cost us big time. We are as much an internet company as we are a wine company and, if we had realised that from the start, we would have hired a hacker who could code and a hustler who could sell and made them equity partners so the start-up phase would not have been so cash intensive."

## 5 Outsource the technical

One of the main reasons people fail to manifest their online idea is because

they think they have to do it all themselves, especially the technical bit. Not so. James Tuckerman, founder of Anthill Australia, says: "If you don't know how to build a website, upload a video or set up a shopping cart, outsource it. Sites like Freelancer, Elance or Fiverr offer everything you need, cost less than you think and will save you a lot of stress."

## 6 Start questions with a "w"

One of the worst questions you can ask at the start-up phase is one starting with "how". When Jodie Fox created her online shoe design service Shoes of Prey, her first questions were: How will I fund this? How will I promote this? How will I build this? But

she realised the only possible answer to those questions at that time was "I don't know". Not a helpful answer.

So she replaced the "how" questions with empowering questions that started with "w": Who could fund this? Where could I promote it? What could the website look like? Who is already doing this? These "w" questions fired up her imagination, broke the negative feedback loop and, best of all, gave her a list of things to do and people to call.

## 7 Solve problems

If you're looking for the next killer app, don't ask "How can I make money?" but instead "What problems need solving?" By asking this question, every unmet problem becomes a potential business opportunity. Look at the plethora of businesses that have arisen because of issues arising from the advent of Facebook: data analytics, social media monitoring and more. So don't think about how to be the next Facebook. Think about what problems a new platform creates and solve them. That will be the source of your next business opportunity.

## 8 Share your ideas

One of the fastest ways to bring a business into reality is to talk about it. Don't worry about people stealing your idea. They're too busy thinking about how they're going to get their own idea up and running to take yours. You learn more, too, when you talk about it. People will say "Oh, that's being done already" or "That's a great idea – I haven't heard of that before", which will give you tips on how to refine your offering. Great ways to share your ideas on what you're doing include attending hackathons, sending out surveys, applying for grants and pitching your idea at start-up competitions.

## 9 Build your personal brand

Take a look at who's writing books, speaking on the conference circuit and appearing on chat shows and you'll see at the top of the list some of Australia's top online business owners: Naomi Simson (Red-Balloon), Daniel Flynn (Thankyou Group),

Ruslan Kogan (kogan.com) and others. It's no surprise why. All great online entrepreneurs know the power of profile and go out of their way to get it. They also write blogs, create videos and have personal websites. For fun? No, for profit. If you're an entrepreneur you need to build your personal brand because you are the business.

## 10 Apply for awards

Tony Nash, the co-founder of online bookseller Booktopia, has proof that awards work. "When we won the Telstra Business of the Year Award [in 2012], we put the award logo on our home page and did a split test to see if the award made a difference. It did. The page with the logo generated 2% more traffic. This might not sound like a lot but on a turnover of \$40 million it's an extra \$800,000 in revenue."

Awards work. They build credibility and trust, two of the most prized elements in an online business.

Getting an online business off the ground can be hard work but by following some of the tried and tested strategies of Australia's most successful online mavericks, you may find it quicker, cheaper and easier than you think. **M**

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Bernadette Schwerdt is an online marketing strategist, keynote speaker and the author of the new book, *Secrets of Online Entrepreneurs*, (RRP \$XX.XX) published by John Wiley & Sons Australia. To download a sample chapter, go to [bernadetteschwerdt.com.au](http://bernadetteschwerdt.com.au). To win one of 10 copies, tell us in 25 words or less what you think the secret to a successful business is. Email [money@bauer-media.com.au](mailto:money@bauer-media.com.au) or send your entry to Money magazine, GPO Box 4088, Sydney NSW 2001. Entries close on September 2, 2015.

