

IT'S A DEAL- IT'S A STEAL! AUSSIE COMMERCE SHOW US HOW IT'S DONE

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Guest speaker for the next Startup Grind event is Managing Director of AussieCommerce, Adam Schwab. In just three years, Adam and business partner, Jeremy Same, have created an impressive e-commerce empire, boasting more than 300 employees worldwide and an estimated FY2014 turnover of \$160 million.

We caught up with Adam to find out he built Australia's fastest growing startup business.

Tell us a little about how AussieCommerce started?

The original founders were myself and Jeremy; we went to school together and had already been working on a corporate accommodation business before AussieCommerce came up. Whilst the accommodation business was profitable, we wanted something more scale-able so used our capital to bootstrap a new venture.

In hindsight, that initial business was a great learning experience and equipped us for our next project. We learnt everything from building websites to dealing well with customers – which is essential for any brand.

In November 2009, Jeremy had just come back from the US where he saw a thriving business called Groupon, which didn't exist in Australia. Seeing as how well it was doing in the States, we thought we'd give something similar a try over here, so our site, Zoupon, was born. With just a handful of staff working on the site, Zoupon offered basic service and activity type deals – restaurants, hairdressers, spas and some local travel deals. It started as small offers from small clients but by February 2011, after around eight months of operation, revenue was growing quickly; we now employed 25 staff and changed the URL to DEALS.com.au. From there, we gradually progressed from local businesses to working with bigger clients and skewing towards as many bigger named brands as possible.

How did you build on the success of DEALS.com.au?

The site was profitable almost from the beginning, which made growth inevitable. In June 2012 we merged with Ouffer – and subsequently doubled the size of our team to form the AussieCommerce Group. Literally a week later, we had the opportunity to buy two businesses from Rocket Internet – Dalani and Bamarang. We retained a third of their 50 staff and increased the revenue of those businesses from around \$200,000 to \$1.5 million a month.

What plans did you have for the business next?

We never actually had growth plans mapped out; opportunities just cropped up, and still do – so we've learnt to stay nimble. In 2013, we had the opportunity to buy Cudo – a very similar business to DEALS.com.au. At the same time we acquired the travel site, Getaway Lounge and The Meat Merchant. We folded Getaway and created a site for high-end travel, Luxury Escapes. We also rebranded Meat Merchant to The Gourmet.

What sites do you now own?

We own nine sites altogether; our most recent acquisitions were of brands Exclusive, selling premium fashion brands, and TheActive, which is Australia's first dedicated flash sale site for sports apparel as well as fitness and outdoor adventure products.

You're one of Startup Melbourne's new sponsors – why did you get involved?

We went to a meet up last year and had a great time. It's a great forum for talent and I met some really interesting people. I loved the success stories, the drive and the passion everyone had so felt if there was any way that AussieCommerce can help out, we'd like to. It's definitely a scene we're still interested in; although as a group we're probably past the startup stage, we still have businesses within our company that would be considered startups. We're lucky enough to have the infrastructure to build our businesses well and operate in a very lean way – which is a very startup way of doing things.

What advice could you give to other startups?

If you're running a startup, you're obviously working for yourself but don't forget you're working for others too – you have clients and customers. You're liable; if anything, as a startup, you're more on the hook.

One of the key things to being successful is being super lean. Keep expenses down and don't pay for stuff you don't really need. Also, don't be afraid to get your hands dirty. Until a few months ago I would often answer support calls and emails – and still do occasionally. It's important to know first-hand what your customers really think about you. E-commerce isn't easy so when we hire people, we're not looking for managers – we're looking for do-ers. Be it me, co-Executives or the newest person through the door, we expect everyone to get stuck in and do the work – and for your startup, so should you.

Adam Schwab is a guest speaker at Startup Melbourne's 23 April event. Find out more about his passions – from AussieCommerce to barefoot marathon running – [by reserving your ticket.](#)

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