

BACK STORY



GENERATING BUSINESS IDEAS: A MASTERCLASS

After starting out with just a mop and bucket, this plucky entrepreneur owned a hotel by his late 20s. He now operates Australia's biggest shopping cashback website.

 NIGEL BOWEN

Instead of heading off to university after high school like his friends, Andrew Clarke bought himself some cleaning essentials, put an ad in the local paper and launched a cleaning business. A decade and several ventures later, he took out a loan and bought the inner-city Sydney boarding house he was managing.

After converting that into a thriving hotel, Clarke leveraged it to create ShowTix, a business that sold accommodation-and-tickets packages to Sydney tourists for shows like *Phantom of the Opera*.

In 2014, he launched Cashrewards, an award-winning shopping cashback website that's now notched up \$1 billion in sales for its retail partners, returned \$40 million to consumers and helped brighten the lives of more than 2,000 sick children.

Here, Clarke provides some tips to budding entrepreneurs.

Solve a problem, preferably in a way that's been proven effective.

If you want to build a substantial business, you should look for substantial problems you can solve. I always suggest aspiring entrepreneurs research newish businesses kicking goals overseas and think about whether they can introduce a local version. I created Cashrewards after seeing the success cashback sites were enjoying in the US and UK.

Ideas are plentiful. Execution is hard.

Coming up with business ideas isn't hard. The tricky part is the execution, having the

patience and obsessive focus to put the right systems and processes in place. Cashrewards has managed to scale to 60 staff, 1,200 merchants and 400,000 customers because I laid a solid foundation. In particular, my first employees and I painstakingly developed sophisticated proprietary technology – technology that delivers a reliable, user-friendly service. To this day, I still read every email customers send to Cashrewards. I do that because it prompts me to think about what we can be doing better.

Lots of other Australian businesspeople also saw the potential of cashback sites. But their businesses almost always crumbled when they tried to scale up because they hadn't done the necessary groundwork.

Get the timing right.

I began tinkering with what became Cashrewards in 2010 but I didn't launch it until 2014. If I had launched it earlier, when Australia's major retailers weren't much interested in selling online, it would have flopped. Businesses, industries and economies move through cycles. Whether you're launching, growing or selling a business, you need to act when the cycle is at a favourable stage.

Do well by doing good.

After my then 13-year-old son was diagnosed with cancer, I was overwhelmed with gratitude towards all those who played a role in helping him get better. When I launched Cashrewards shortly after that experience, a commitment to giving back was embedded in its DNA. Consumers have money given back to them and a proportion of the rewards are given back to the Starlight Children's Foundation. My wife is Chief Happiness Officer of our business and her focus is giving back to staff. Happy employees are better team players and more likely to help others.

I don't think it's coincidental that the business that grew out of that win-win mindset has been exponentially more successful than any of my other ventures. 