

PRESS RELEASE

Oneshift Founder Gen George On Life After A \$5 Million Investment

CAITLIN FITZSIMMONS

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Many entrepreneurs dream of the day when they land that first big investment, but OneShift founder Gen George has found it is just the beginning of the journey.

Her Sydney-based technology start-up, which matches employers and staff for casual shifts, secured a \$5 million investment from recruitment company Programmed in October 2013.

“What I’ve really learnt is that from day dot, you’ve got to hit the ground running from when you start that arrangement because you should be jet-packed from there,” George says. “I think the mentality in the lead-up to it is that you’ve got to get that deal and then you’re okay ... but you’ve still got a business to run and now you’ve got to keep investors happy.”

George says she learned this lesson from watching other start-ups flounder when they hit this point, but also from her own experience in riding the emotional high of securing the investment.

“Once we got there, it was very exciting and it was like ‘great this is done’, and it took another 24 hours to go ‘wow, we’ve got to make this happen’, because you’ve got another person sitting around the table asking what we’re going to achieve this quarter,” she adds.

Programmed took a 27.5 per cent stake, implying an \$18.2 million valuation for the business. The remaining 72.5 per cent is held by George and her family, including father Philip George who runs property development company the George Group with his brothers. He sold the family business Mrs Crocket’s Kitchen for a reported \$110 million 10 years ago.

George came up with the idea for the business while she was backpacking in Europe, and persuaded her father to invest.

“I’ve always had a job ... because my family had this mentality that if you want to go to the movies on Friday night, you’ve got to go earn some money to do it,” George says. “Getting an allowance from my dad was never ever going to happen to myself or my siblings, so getting him to invest in this business was interesting. We were on a plane to Melbourne – I planned it so he couldn’t escape – and I had written a business plan, which is actually hilarious to look at now. I showed him what we’d done, that we had 300 uni students using it and some clubs, so we started debating and arguing, and by the time we landed in Melbourne, he’s like ‘this might actually work’.”

OneShift launched with a Wordpress site in June 2012 and quickly gained traction, with the first conversations with Programmed happening six months later. The start-up shares office space with the George Group and George meets her father for breakfast every morning for paternal guidance and business coaching. The level of financial investment provided by George and her family has not been disclosed.

It was reported last year that OneShift was looking for up to \$30 million in investment, but George says she was not quoted in the article and the numbers were inflated. She says she is happy with the \$5 million and what the business has been able to achieve with that so far.

NO LAZY CAPITAL

While George retains the ultimate control, she says she has had to adjust to the fact that she now has to consider other stakeholders.

“Prior to them coming on board, it was like ‘this is what I’m doing’,” George says. “Now I’ve got to think about what conversations I need to have with my investors. We have a very respectful relationship so how do I make sure we’re always doing the right thing by them and telling them what they need to know, but not harassing them every five minutes.”

But she says she values the fact that Programmed is a strategic partner, not just an investor.

“We didn’t want just lazy capital coming in; you can throw money at anything but unless you throw it at the right things you’re not really going to add value to your business.”

Programmed now has representation on the board of directors, which also includes George, her father and the chief financial officer. But for the most part, George says the decisions about where to invest the money were made in consultation with Programmed before the deal was signed.

In the three months since the investment, OneShift has recruited more staff. It now has 22 people working in the call centre and six developers. When the company started, George was the only person taking calls and she put the site together herself on Wordpress. The investment has also kick-started OneShift’s expansion to the New Zealand market, which is a goal for this quarter.

“We’re learning a lot from them and I was surprised they don’t have that big company mentality, it’s ‘we need to get something done, let’s make it happen’,” George says. “The in-kind support is definitely making the difference. We’ve been given the cash but also the benefit of a company that’s been around for years, and their advice.”

For example, guidance from Programmed helped OneShift simplify its fee structure. Now companies pay a flat fee of \$30 to contact an unlimited number of matches for seven days. She says that January is shaping up to be a 300 per cent increase on sales compared with December, even though it is a quieter time of year for casual employment.

The next decision for the board is whether to stick with the bread and butter of casual hospitality work or whether to welcome the recent influx of full-time white-collar jobs.

Programmed is providing marketing support as well.

“They’re putting us in front of 500+ employee sized companies where they believe we have a service worth offering,” George says. “We’re part of their bid process now, so when they’re renewing projects or going for tender they also say ‘by the way this is OneShift’. We’ve also got access to all their jobseekers when they sign up looking for work.”

George has put most of her own marketing efforts into social media – OneShift has an impressive 161,759 “likes” and a 30 per cent engagement rate on each post. But she still occasionally puts up posters around universities to try to attract students looking for shift work.

George says OneShift was forecast to reach profitability in June 2014 but the investment meant this would be delayed in order to chase growth.

Sydney Office

Level 22, Grosvenor Place, 225 George Street, Sydney NSW 2000

Telephone: + 61 2 9271 0700 Facsimile: +61 2 9271 0777

Melbourne Office

Level 2, 18 Olivers Lane, Melbourne 3000

Telephone: +61 3 9666 3900 Facsimile: +61 3 9666 3999

www.oaktower.com.au

