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WORK AHEAD, SAYS SEEK CO-FOUNDER

Bassat's venture plea

RICHARD GLUYAS
VENTURE CAPITAL

THE nation's venture capital market remains underdeveloped, even compared with countries such as Israel, let alone Silicon Valley in the US, according to Seek co-founder Paul Bassat.

Mr Bassat, who is now a technology venture capitalist with partners through his Square Peg fund, said the local market was improving.

"But if you were to compare it to the Israeli market, which we're pretty familiar with, there's a long way to go to get to a similar stage," he said. "It's going to require a lot of work, but the heavy load is done by the entrepreneurs."

Since its inception a few years ago, Square Peg has made about 16 investments, half of them offshore.

While typically avoiding early-stage incubation of businesses and seed funding, Square Peg has done precisely that with the unveiling of its latest investment — a half share in Schoolplaces.com.au, which helps families search for and book a discounted place in private schools through an online enrolment process.

Mr Bassat said Square Peg had been contacted by Jeremy Wein, 25, in March last year, when Schoolplaces was a concept.

"We don't invest in ideas; we invest in businesses where the product is live and there's revenue," he said. "But we just loved the idea and Jeremy had enor-

mous passion for it." Schoolplaces has lured Kidspot chief executive and former Seek senior executive Natalie Mactier to be its chief executive.

Mr Bassat said Square Peg's model of aggregating the capital of its owners had important benefits, including a greater diversity in the kind of deals offered.

The venture was also able to back its companies through successive rounds of fund raising.

While critical of the depth of the local venture capital market, Mr Bassat said good firms were starting to emerge, some of which were attracting US support.

One example was Campaign Monitor, an email marketing service used by 100,000 companies including Apple and Facebook that attracted \$US250 million this

month from a group of US venture capitalists led by New York-based Insight Venture Partners.

"So hopefully there will be more and more outstanding entrepreneurs, or what you might call recycled entrepreneurs, doing their second or third entrepreneurial venture or who are coming out of a company like Seek," Mr Bassat said.

"From a mindset perspective, there's more people saying 'This is the kind of direction I want to take.' And that's fantastic."

In reference to the recent correction suffered by listed technology companies, particularly in the US, the Seek co-founder said the situation was different from

1999, when investors suffered catastrophic losses and companies were wiped out.



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AARON FRANCIS

Centure capitalist Paul Bassat and Natalie Mactier, CEO of schoolplaces.com, which Bassat is backing