

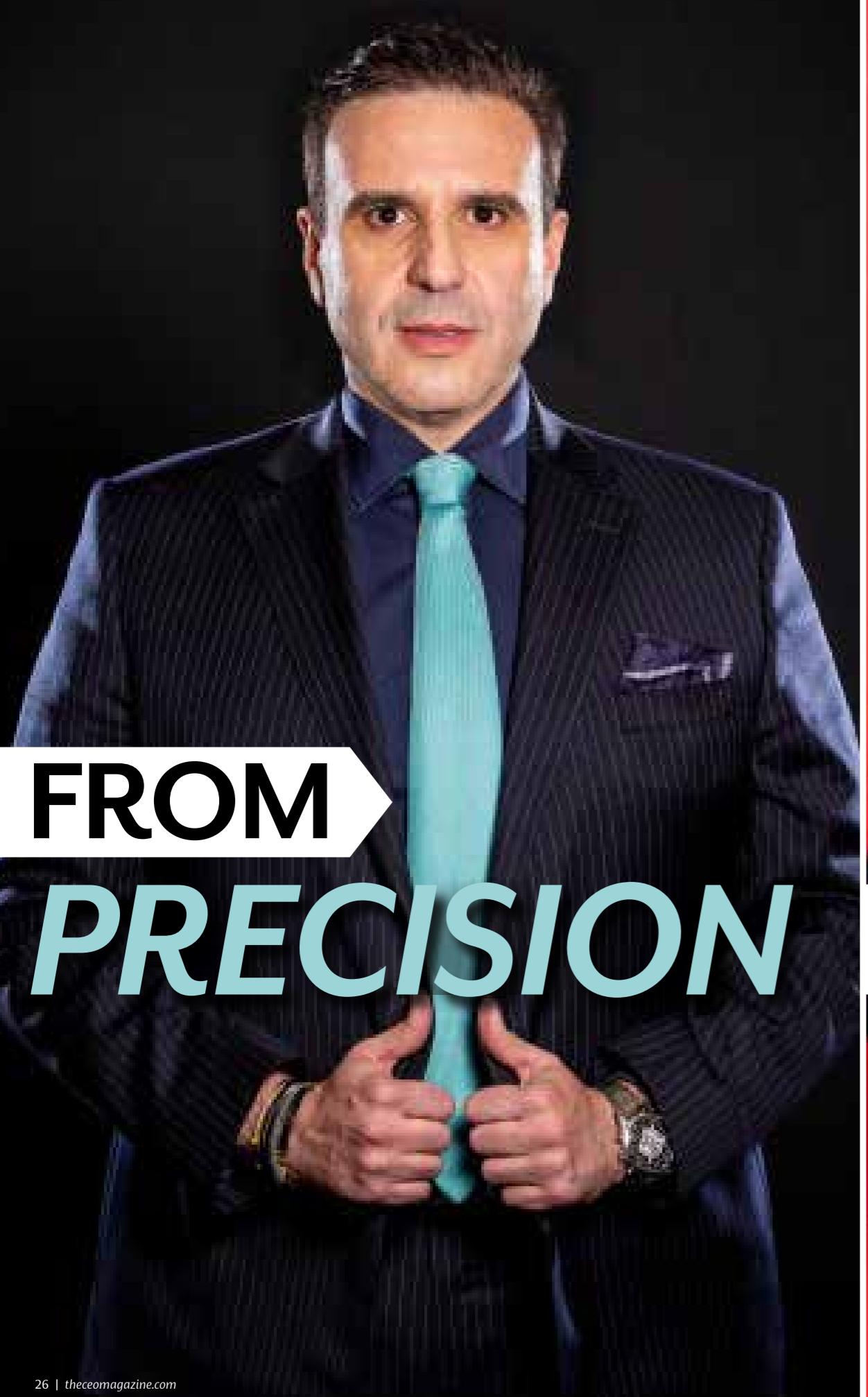
CEO MAGAZINE

INSPIRING THE BUSINESS WORLD



SHAUN BONÉT

FROM PRECISION GROUP TO PREZZEE, THE BILLIONAIRE ENTREPRENEUR TALKS EXCLUSIVELY ABOUT CHANGING THE FACE OF GIVING



FROM PRECISION TO PREZZEE



A COMMERCIAL PROPERTY BARON AT 24, PRECISION GROUP BILLIONAIRE SHAUN BONÉTT HAS BUILT HIS CAREER ON UNDERSTANDING THE RETAIL MARKET. NOW HE'S INTRODUCING PREZZEE, THE DIGITAL GIFT CARD PLATFORM THAT'S CHANGING THE WAY WE GIVE.

WORDS MICHAEL WAYNE • IMAGES GILES PARK

Shaun Bonétt doesn't fear risk. The billionaire and self-proclaimed entrepreneur behind Precision Group makes decisions based on what he calls a strong intuitive strategic sense. "I don't give up easily," he says. "And I believe there are multiple ways of achieving an outcome. I move through, over or around obstacles, but almost never let them stop me."

It was Bonétt's willingness to confront risk that led to his entry into the commercial property market in 1994. Almost three decades and six major retail hubs later, his instincts have placed Precision on the front line of what he calls the "phygital" revolution.

"The best example of a 'phygital' company is Apple," Bonétt says. Apple's heavy staffing in its stores encourages people to come in, ask questions and play around with the expensive phone they were thinking of buying, and the customer can then either buy it instore or online later.

Precision developed the largest Apple store in Australia at the MacArthur Central Shopping Centre in Brisbane, which Bonétt says presents shoppers with a taste of retail's future. "A sale is not either online or offline; most are an indeterminable combination of both," he says.

Nevertheless, Bonétt believes that shopping centres are the "village square" of the modern age – a place to connect and feel a sense of belonging with retailers who can demonstrate their understanding of shoppers' wants and needs – and cannot be replicated online. It's for this reason that Precision continues to develop integrated retail hubs that provide unique and memorable experiences in the way it's always done.

"BEING KIND TO PEOPLE DOESN'T EQUATE TO BEING A PUSHOVER. APPROACHING RELATIONSHIPS FROM A PLACE OF EMPATHY SHOULD ALWAYS BE OUR GOAL."

TO BE PRECISE

The story of Precision, one of Australia's leading and most successful private property investment groups, begins at a house in the Adelaide suburb of Unley. In 1989, 18-year-old part-time law clerk and university student Shaun Bonétt had squirrelled away enough earnings to put down a deposit on the property.

"While many university students were probably partying their way through law school at that time, I was intensely saving," says Bonétt, who graduated from the University of Adelaide with two bachelor's degrees in law and arts in 1991. "Not that I didn't do some partying," he adds.

The Unley house gave Bonétt a taste for property investment, something he pursued as his law career flourished. Soon, residential gave way to commercial and the stakes escalated to millions of dollars for shopping centre deals around Australia.

Emboldened by success and undaunted by risk, Bonétt made a fateful decision. "My background as a commercial lawyer gave me the confidence to go it alone at 24 and start my own property company. The company, Precision Group, was named for Bonétt's determination not to fail," he says. "I envisaged my journey as a highwire act. Striving for excellence in an environment where there's little room for error."

Despite his age, Bonétt found the industry welcoming and brimming with opportunity. "One of the good things about doing business in Australia is that the business community is prepared to back young players," he says. "In my mid-20s I found myself at the negotiating table with some of Australia's most prominent finance people. In a lot of other countries, young entrepreneurs wouldn't be given a chance."

In the years that followed, Precision acquired and developed shopping precincts and hotels in Adelaide, Brisbane, Sydney,



Melbourne, the Gold Coast and even New Zealand. "We're forever optimistic," says Bonétt of the Group's seemingly limitless growth and determination. "We're in an industry built on optimism and consumer confidence. We'll stick with that."

RETAIL RELATIONSHIPS

The Group's presence in the retail sector has given the company tight relationships with some of the biggest retailers in Australia. In fact, the building of these connections was, in Bonétt's eyes, the building of Precision. "By focusing on enhancing relationships, I was able to build my business, deal by deal," he says.

If Precision has had a constant since it was founded in 1994, Bonétt believes it's

a focus on relationships – be it with tenants, industry peers or the wider community. "When dealing with people, there's only one approach: do your best by them," Bonétt says. "When you treat others as you would be treated yourself, you can find solutions from their perspective. This creates trust, and there's nothing more valuable than knowing that someone will do what they promise."

It's the same story for investors. In 2011, the Group partnered with Bank of China for a financing deal, and in the years since, the partnership has blossomed. "It's an ever-strengthening relationship," Bonétt says. "They've backed Precision in a number of projects and acquisitions now, and as we've done more together, the understanding and cooperation is at an all-time high."

Bonétt has also made sure to repay the communities that have supported his ventures for so many years. He's the Deputy Chair of Life Education Australia, a member of the Art Gallery of NSW Presidents Council, a Director of the Prince's Trust Australia and Founder of his own Heartfelt Foundation. Bonétt says giving back is the most important way he can spend his money. "No-one becomes successful without lots of hard work, support from others and a little luck," he says. "I'm proud to partner with organisations that place an emphasis on and share my interest in community."

Where Precision differs from the competition, says Bonétt, is that being



privately owned, the group can march to the beat of a different drum. "We can play the long game," he says. "We've never been about jumping on certain trends. We always go back to what the local market needs and focus on that in a very strategic and careful way."

In an arena filled with larger competitors, Precision's agility is a marked advantage. "We can work a lot faster than most of our competitors because we're less encumbered by the processes that public companies are obliged to undertake," Bonétt says. "We can make decisions in a much more decisive and pragmatic way."

Bonétt's human touch and understanding of what constitutes a "consistently great experience and service" to Precision's retail and commercial clients, investors and stakeholders has not only made the Group unique; it's informed his involvement and investments in other areas.

Among these are a board seat and material stake with Skyfi, which provides free wi-fi for Precision's shopping centres, as well as board seats at insurance comparison service iSelect and private equity finance company Lenders Direct. Bonétt is also Chair and Non-Executive Director of Litigation Lending Services, which provides financing for disputes in human rights and environmental sectors.

If there's a through line, it's an emphasis on benevolence. "Being kind to people doesn't equate to being a pushover," Bonétt says. "Approaching relationships from a place of empathy should always be our goal."

ENTER PREZZEE

Bonétt's most recent investment – perhaps his most significant – began with an aha moment. In 2014, during an afternoon of retail therapy at Westfield Bondi Junction, Matt Hoggett approached the counter at Myer. As he reached for his wallet, he suddenly had a vision of his Myer gift card at home in his sock drawer. "That was it," says Matt's wife Claire Morris, a former creative director who was inspired by her husband's momentary lapse of mindfulness.

From then on, Claire says, Matt was driven by his frustration that the gift card wasn't accessible through his smartphone. With so many other applications at his fingertips, why not this one? The pair

spent the next 18 months preparing a business plan and developing a prototype for Prezzee, a digital gift card.

When the couple pitched the Prezzee concept to three of Australia's biggest retailers, the reaction was unanimous: why hasn't anyone done this before? "It was a huge relief to hear," Claire says, who left her sustainable bag business Apple&Bee to focus on finding investors for her new initiative.

Among the first to sign up was Bonétt, whose Precision Group became Prezzee's principal investor. "Claire and Matt were introduced to me in 2015, and they presented a compelling business plan and prototype," he says. "I believed in Prezzee and committed to backing their concept all the way." Bonétt wasn't alone in being won over by Claire and Matt's vision: other investors include former Managing Director of LinkedIn Australia Cliff Rosenberg, and brand guru Stuart O'Brien.

For Bonétt, Prezzee was the perfect storm: a quality-of-life improvement for shoppers, a value-add for retailers and in being a universal gift, a strong dash of the human touch. He was impressed that the couple had taken enough time researching the market to make sure their idea was unique and would appeal to both retailers and customers. "We had retailers signing on in the early stages, which gave me the confidence that Prezzee was on the right path," Bonétt says.

In October 2018, Prezzee's Strategic Director Tony Karp was appointed CEO, which Bonétt believes was a milestone in the digital gift card's journey. "Tony's appointment really brought Prezzee out of startup mode and into scale-up mode."

Such was Bonétt's confidence that Precision acquired a 55 per cent stake in Prezzee in 2015, a move that ensured the first wave of digital gift cards would be market-ready that Christmas. "Our involvement also encouraged retailers to join in a new approach to the gift card market," he says.

In 2020, the Group expanded its stake in Australia's biggest virtual gift card group to 85 per cent. Bonétt says that the Prezzee connection is a matter of synergy. "Particularly with our property business," he says. "Precision uses marketing platforms in various shopping centres to support Prezzee and work with retailers as alliance partners."

FREEDOM TO CHOOSE

The advent of the gift card seemed to spell the end for unwanted, thoughtless presents or bank notes slipped inside a card. To give a gift card was to absolve yourself of the stress of having to choose the right present. To receive a gift card was to receive the freedom to choose your own.

But there were limits to that freedom. For years, gift cards were retailer specific, so you'd have to hope the store had something you wanted. You'd have to remember to bring your gift card to the store when it was time to buy, and due to their size, that wasn't always a given. Even for the benefactor, there was still the matter of having to choose the right retailer. In a "smart" world, traditional gift cards looked positively restrictive – especially compared to cash.

And with cash largely replaced by digital transactions, gift-givers seemed consigned to a walled garden. Consumers are canny, however. It was only a matter of time before



"WE'RE ON A MISSION TO MAKE THE GIFTING EXPERIENCE EXHILARATING AND EFFORTLESS."

This means Prezzee presents can be delivered instantly by email or SMS wherever the recipient may be.

Above all, however, Prezzee is a gift card, and gifts should be special. That's why it offers extensive personalisation options such as custom designs, personal messages and even uploaded photos, videos or voice messages.

"It's all about the magic of giving and showing that the sender has thought about you," Bonétt says. "The goal is to bring joy to every person who receives a digital gift card via Prezzee's platforms. We're on a mission to make the gifting experience exhilarating and effortless."

The Prezzee app allows consumers to buy, send and store digital gift cards from a large range of retailers. In addition, it sells the Prezzee Smart eGift Card, which allows recipients to spend across a suite of big-name retailers. Even kids can be a part of the fun: the Prezzee Kids Smart eGift Card is limited to child-friendly retailers.

"Prezzee empowers the consumer," Bonétt says. "It's revolutionised the way Australians shop for presents and now it's taking the world by storm."

PREZZEE FLAVOURS

The Prezzee experience comes in four flavours. Prezzee Classic is the platform's take on the traditional gift card and allows gift givers to choose from over 500 retail brands and send a digital gift card to family and friends around the world in seconds.

Prezzee Business makes corporate gifting easier than ever by providing customised gift cards in batches of up to 10,000 in minutes. Among its 8,000 corporate clients, the platform already counts HSBC, Coca-Cola, QBE and Atlassian.

To make things easier for retailers, the Prezzee Pay app allows businesses big and small to instantly accept Prezzee eGift Card payments without the need for expensive infrastructure or exorbitant fees.



the gift card was dragged into the modern age; with Prezzee, that time has arrived.

"There's a shift to moving away from buying 'unknown' or 'useless' presents," Bonétt says. "With a Prezzee gift card, the person receiving the gift can choose exactly what they want, plastic doesn't need to be produced, and everyone tells us they prefer to send and receive gift cards rather than give unwanted gifts that end up in landfill."

Much more than just a gift card, Prezzee is a global virtual gift card platform. Unlike traditional gift cards, Prezzee's eGift Cards are entirely digital, doing away with the sustainability concerns surrounding plastic cards. "As the consumer backlash against excess plastic – bags, straws, packaging – grows, people are looking for ways to reduce landfill," Bonétt says. "Because Prezzee is exclusively digital – cards are stored in the cloud – it's part of the solution. The eight million digital Prezzee gift cards sold in FY2021 will save the planet from about 105,000 kilograms of CO₂."

Through its virtual presence, Prezzee also dispenses with the forgetfulness factor. The hassle consumers face should they lose their gift cards or forget them when going to the shops is no longer an issue; in fact, their Prezzee cards are available wherever they have access to the cloud.

The robust, customisable Prezzee Marketplace allows businesses to seamlessly incorporate Prezzee into their systems. The full catalogue of more than 300 eGift Cards becomes the ultimate customer incentive and can be easily offered in exchange for loyalty points or payment on the business's own platform thanks to the robust, customisable Prezzee API. The gift cards can even be branded with a company's own image or logo to personalise the experience.

Prezzee's CEO Tony Karp believes the company's strength is its technology. "We've created a simple, best-in-class experience for customers and retail merchants, and it underpins the white-label product we offer to our whole suite of buy now, pay later and rewards partners."

A GLOBAL GIFT

Today, Prezzee's marketplace and distribution cover not only Australia, but New Zealand, the UK and the US. One of its eGift Cards can unlock over 500 fashion, beauty, travel, food, health and technology brands across these four countries, and that list is growing rapidly in tandem with Prezzee itself.

In fact, a major reason for the company's stellar growth was its launch in the US, where it had the fortuitous fate of coinciding with the COVID-19 pandemic. As American consumers locked down at home, gift cards experienced a sales boom. "We launched the eGift Card, the app and the website in the US in March of that year," Bonétt says. "As such we enjoyed a whopping 400 per cent increase in revenue thanks to 'white label' deals with companies such as Macy's and Uber Eats."

The same year, Prezzee's UK launch saw the addition of local retail icons such as Asda, John Lewis and Marks & Spencer to its line-up; meanwhile, Prezzee was ranked 55th in the Deloitte Technology Fast 500 list of the fastest-growing companies in the Asia-Pacific region. Not bad for what was a little Aussie startup only five years earlier.

Prezzee processed over A\$1 billion worth of online gift cards in FY2021, up from around A\$450 million in the 12 months prior, as the brand continues to expand its presence with retailers. A further 500 businesses including Afterpay, Klarna and Zip will be added to the Prezzee marquee, and the list is growing steadily.

Prezzee has most recently confirmed a major partnership deal with MasterCard, the leading global technology and payments company. This partnership will take Prezzee beyond borders, to new markets and connect it with billions of new consumers to create meaningful giving experiences. Mastercard Incorporated is a Top 20 US company that provides global credit services in 210 countries and territories, and is listed on the NYSE.

The new decade has also seen the rapid expansion of Prezzee's teams worldwide. In May 2021, the company welcomed its 100th team member, and by the end of June, its Northern Hemisphere team had grown to 30. "Prezzee achieved a record FY2021 in every metric," Bonétt says. "Headline sales finished 222 per cent above FY2020. The business is in excellent shape, it has a strong balance sheet, it's cash-flow positive and continues to enjoy record growth." Bonétt says.

BLURRED LINES

Retail continues to be a dynamic sector. The mass migration of customers to online shopping, hastened by the pandemic, has put pressure on bricks-and-mortar retailers to deliver superior customer experiences that drive strong visitation. "Customer needs are central to our strategic and operational decisions, so our focus is on connecting with our customers by providing superior experiences," Bonétt says. For Precision, these experiences include shopping centre



"RETAILERS NEED TO REBALANCE THEIR OPERATING MODELS AND BETTER CONNECT THEIR PHYSICAL AND DIGITAL EXPERIENCE."

BONÉTT'S GOLDEN RULES FOR SUCCESS

- Be passionate about what you do. If you're not, you really should look for something that you are passionate about doing.
- Research new ventures and focus on risk analysis. Take advice from specialists and always allow for contingencies. Without a considered approach to business, you may as well go to a casino and gamble.
- Financing can be as important as the deal itself. Look at the terms of a finance deal and always address the worst-case scenario. Having at least two banking relationships is essential to provide alternatives.
- Identify the important issues to achieve your goals and allow the inconsequential matters to fall by the wayside.
- Surround yourself with talent and make trust a dominant value.
- Treat your employees, contractors and consultants as your partners. Align their interests with your business interests by providing incentives where possible.
- Give back to the communities you invest or operate in.
- Be open to unorthodox ideas and reward innovation.



ambience, retailer mix, food, entertainment and leisure precincts and digital connectivity.

But the line between physical and digital shopping is now blurred to the point of being inextricable. "Ecommerce has become just commerce, and that's true in Australia," Bonétt says. "Customers are doing as much as possible through digital and contactless channels, even when shopping instore."

Able to work online or instore, Prezzee hits a sweet spot between the two worlds. "Retailers need to rebalance their operating models and better connect their physical and digital experience," Bonétt says. The explosion in online sales, particularly during 2020, shone a spotlight on the breadth of products shoppers are now willing to buy online. "Businesses with strong digital DNA and ecommerce capabilities have thrived,"

he says. "And if you've experienced five years of ecommerce growth in a matter of months due to the pandemic, you need to leapfrog your investment programs to deliver your 2025 plan today."

FUTURE TENSE

When COVID-19 hit in early 2020, Precision's momentum was affected. The onset of what would become a global pandemic rapidly changed the retail landscape. As small businesses faced uncertainty, the Group made the choice to make support for small and medium-size enterprises a key focus.

The move showed the Group's true colours to its family of small businesses. "There's now a greater perception in the market that Precision is pragmatic, fair and a constructive party to work with," Bonétt says.

As the containment of the pandemic continues and customers re-engage with their favourite shopping destinations, Bonétt says flexibility is the greatest asset. "Most businesses I work with know things are different. They've made decisions previously considered 'unthinkable', such as high-end restaurants shifting to takeaway orders or creating new or modified products to sell. This flexibility has and will be rewarded."

Time and personalisation have become the new currency. Shopper sentiment studies indicate 67 per cent of shoppers now use click-and-collect options to save time better spent elsewhere. "Shoppers now value time much more, especially how they spend it and how they save it," Bonétt says. "They also want a more personal and human experience from the minute they connect with a retailer to purchasing their desired products."

With digital ease and human thoughtfulness on its side, Prezzee appeals to both of these new priorities. By backing the virtual gift card platform, Bonétt has taken the first steps into a new world. "Change is enabled by responding to opportunities," he says. "The business environment is currently changing more rapidly than ever, and the polarity between success and failure is ever widening."

By embracing an attitude of incremental change, Bonétt says, players as diverse as Precision and Prezzee will be able to stay ahead of the curve. "We'll never stop walking that high wire, but I'd like to think it stimulates rather than suffocates our spirit." ■