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GIFT GIVERS

SHAUN BONÉTT MADE HIS FORTUNE IN THE 1990S AUSTRALIAN REAL ESTATE MARKET WITH HIS COMPANY PRECISION GROUP. TODAY, HIS MORE RECENT VENTURE, THE GLOBAL DIGITAL GIFT CARD COMPANY *PREZZEE*, IS ENJOYING STELLAR SUCCESS THANKS IN PART TO THE NETWORK OF SHOPPING CENTRES HE ACQUIRED EARLIER IN HIS CAREER.

WORDS JACOB GOLDBERG • IMAGES GILES PARK

It was real estate that made Shaun Bonétt one of Australia's richest people. At the age of 24, he founded Precision Group, a property investment and management company that secured deals to develop shopping complexes and commercial property across Australia and New Zealand.

For someone who made his fortune in bricks and mortar, Bonétt's more recent venture into the world of online gift cards may seem like an unexpected departure. However, Precision Group's firm standing in the world of retail meant it was well-positioned to help such an online business flourish.

The Group now owns 85 per cent of Prezzee, a leading innovator and trusted marketplace for digital gift cards both in Australia and overseas. The venture is growing rapidly – especially in the wake of the COVID-19 pandemic – and Bonétt expects it to pay big dividends. "Prezzee is one of several investments I have outside of Precision Group's core business," he says.

Bonétt first met with co-founders Claire Morris and Matt Hoggett in 2015, when they presented their business plan and prototype. He was quickly impressed.

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“They had spent years researching the market to make sure Prezzee had a unique offering and the best platform that both users and retailers would love,” he recalls. “We had retailers signing on in the early stages, which gave me the confidence that Prezzee was on the right path.”

“I believed in the company and committed to backing their concept all the way. Precision’s involvement ensured Prezzee got to market in time for Christmas 2015 and provided other retailers the confidence to join in a new approach to the gift card market.”

Precision acquired a 55 per cent stake in Prezzee in 2015 and appointed two new directors to Prezzee’s board, Precision’s CFO Edward Piazza and CTO Roger Hatem. The pair brought years of high-level expertise and corporate know-how to the venture.

In 2020, Precision negotiated the purchase of another 30 per cent of the company, taking its stake in Australia’s biggest virtual gift card group to 85 per cent.

“Prezzee is particularly synergistic to our property business,” Bonétt explains. “Precision Group uses its marketing platforms in various shopping centres to support the business and works with retailers as alliance partners.”

SUCCESS STORY

Prezzee has seen a staggering 400 per cent increase in revenue since it launched in the US in March 2020. It has secured white-label deals with companies including Macy’s and Uber Eats, and it is expanding so rapidly across the country that it expects to process more than A\$1 billion (€630 million) worth of online gift cards for 2021 – up from about A\$450 million (€284 million) for the previous 12 months. The company has deals to supply gift cards from more than

500 retailers and businesses, including Afterpay, Klarna and Zip.

In July, Prezzee confirmed a major partnership deal with Mastercard, the leading global technology and payments company, which is expected to take the company beyond borders to new markets and connect it with billions of new consumers.

“With a powerhouse board, a fast-growing stable of around 500 brands across Australia, New Zealand, the US and the UK, and a rapidly growing international team, it’s an exhilarating time to be part of Prezzee,” Bonétt says.

Launching in the US has been a major reason for the company’s huge growth. As American consumers stayed home during

Bonétt and brother Steve review plans for the €31.6 million redevelopment of the Precision Group-owned Port Adelaide Plaza in South Australia



COVID-19, they bought more gift cards as presents for family and friends. Around the same time, Prezzee also launched in the UK, with local retailers such as Asda, John Lewis and Marks & Spencer jumping on board.

While the pandemic continues to accelerate changes in consumer behaviour, advancements in technology for online money transfers have enabled Prezzee to build an evermore easy and accessible platform that customers can navigate in just a few clicks. “There’s still plenty of room for growth,” Bonétt reveals.

Prezzee’s appeal to consumers is simple: it takes the stress and hassle out of shopping for gifts, and there is always a backup if you lose a gift card or forget to buy one when you go to the shops. The app allows customers to buy, send and store digital gift cards, and there is also a Prezzee Smart eGift Card option, which allows the recipient to spend their gift card at a range of big-name retailers across fashion, beauty, travel, food, health, technology and more.

Prezzee also gives consumers the option of personalising their gift cards – something Bonétt says has been crucial to its success. Gift givers can customise a design, include a message and even upload a photo, video or voice message for the recipient.

“It’s all about the magic of giving and showing that the sender has thought about you,” Bonétt points out. There is even a Prezzee kids’ card that limits the recipient’s choices to child-friendly retailers.

Another advantage Prezzee offers consumers is that it helps cut down on excess plastic and other waste. The digital gift cards Prezzee issued over the past financial year would have equalled about 105,000 kilograms of CO₂ had they been issued as plastic.

The company now has more than 8,000 business customers sending instant digital gift cards in batches of up to 10,000. Businesses including HSBC, Coca-Cola and Atlassian have all come on board. “Prezzee has revolutionised the way Australians shop for presents, and now it’s taking the world by storm,” Bonétt says.

GLOBAL EXPANSION

The concept of Prezzee was so simple that when co-founders Morris and Hoggett, who are wife and husband, first pitched it to Australia’s largest retailers, they all reacted with the same question: why hasn’t anyone done this before?

“It was a huge relief,” says Morris, a former art director who left her sustainable bag business, Apple & Bee, for Prezzee.

The idea came to Hoggett when he was shopping in Sydney’s Bondi Junction and realised he had left his gift card in his sock drawer at home. “That was the aha moment,” he remembers. From then on, driven by his frustration that his card was not accessible through his smartphone, he was unstoppable.

After 18 months preparing a business plan and building a prototype, the couple enlisted Precision Group as the principal investor. Other investors included the former managing director of LinkedIn Australia, Cliff Rosenberg, and brand guru Stuart O’Brien.

In October 2018, strategic director Tony Karp was appointed CEO, with Morris becoming the company’s COO. “Appointing Tony has been a real milestone,” Bonétt says. “Prezzee’s come out of startup mode and into scale-up mode.”

The company is scaling up with speed. Prezzee was ranked number 51 in the *Australian Financial Review’s* 2020 Fast Starters list, and it was recently named by Deloitte as the 55th fastest-growing company in the Asia-Pacific region. Prezzee’s headline sales finished the 2021 financial year 222 per cent above the year before, marking a new record.

“The business is in excellent shape,” Bonétt confirms. “Prezsee has a strong balance sheet, is cash flow positive and continues to enjoy record growth. Our strength is our 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.”

On the back of this success, Karp, who before joining Prezsee was COO for David Jones, is now spearheading the company’s global expansion. After issuing about eight million digital gift cards across Australia, the US, the UK and New Zealand in the 2021 financial year, the company expects to issue about 20 million worldwide this financial year.

“The sustained Australian business growth gave us enormous confidence to focus on replicating that success in key offshore markets, particularly the US,” Bonétt says. “We have a unique view into consumer and corporate gifting trends before it is apparent in the market, allowing us to refine both our product offering and our platform and tap into what our customers need.”

While moving into the digital gift card space meant Bonétt had to step a little outside of his comfort zone, dealing with the unknown is nothing new to the seasoned entrepreneur. “It is essential to recognise that every company is different, and each one will respond to specific challenges differently. Every organisation has its own pathway,” he says.

“The organisations that stand out understand that the pathway involves not just a great app, website or marketing automation tool, but also a holistic effort across its people, practices, products and platforms. The balance and mix of these become the compass for the organisation.”

Prezsee’s success has involved challenging commonly held assumptions about gift cards; namely, that they are something you get for someone last-minute if you can’t think of anything else to buy. “Gift cards were once viewed as the coward’s option for gifting,” Bonétt shares.

But new data shows that trend has shifted, with gift cards now the number one gift choice for every age group. It suggests

a cultural shift away from buying presents that may not be wanted or useful to the recipient. A quarter of the 2,100 people polled in a 2019 survey commissioned by ING said they’d prefer to receive “socially conscious or eco-friendly” Christmas presents, with gift cards being the preferred gift of 77 per cent of those surveyed.

The new trend reflects concern about gifts, as well as single-use plastics in gift packaging, wrapping paper and decorations ending up in landfills. “Gift cards should not be viewed as a last-minute gift,” Bonétt insists. “Instead, they are often the first choice – the person receiving the gift can choose exactly what they want. Everyone tells us they prefer to send and receive gift cards rather than give unwanted gifts that end up in landfill.”

With its options to record video or audio messages for the recipient, or add a photo, Prezsee is also changing the narrative that gift cards are impersonal.



STARTING YOUNG

Bonétt did his first property deal when he was just 18, putting down a deposit for his house in Adelaide after saving money from his part-time job. “While many university students were probably partying their way through law school in the 1980s – not that I didn’t do some of that – I was intensely saving the money I earned from working part-time as a law clerk in Adelaide to buy my first property,” he points out.

Bonétt studied at the University of Adelaide and graduated in 1991 with two bachelor’s degrees in law and arts. He later worked for the law firm Thomson Simmons & Co and then as a senior associate at Phillips Fox Lawyers. But it wasn’t long before he became involved in high-stakes, multimillion-dollar deals for shopping centres throughout Australia. “My background as a commercial lawyer gave me the confidence

to go it alone at the age of 24 and start Precision Group,” he says.

He attributes much of his success to timing. “I was very fortunate to start my business in the 1990s, as the economy was starting to move out of the recession,” he adds. “Every time I bought something, values were increasing.”

At the time, rates were much lower than yields; a small shopping centre offered yields of 18 per cent, and money could be borrowed at 12 per cent. “I saw it as a deal that made commercial sense – it would be cash flow positive from the start,” Bonétt says.

His stint working as an insolvency lawyer during the recession of the early 1990s helped Bonétt realise that he wanted to help build things, rather than tear them down. It also made the importance of focusing on the risks in any business dealings abundantly clear to him.

“I don’t think any entrepreneur I acted for at the time had ever contemplated the possibility of their businesses collapsing. They all believed they were bulletproof,” he explains. “When you see a company enter into administration, you witness just how many lives are being ruined.”

Even so, Bonétt saw opportunity in this challenging environment. Banks were keen to assist new players, so he began his small investment and redevelopment property business by focusing on finding distressed asset opportunities that could be turned around.

Bonétt’s willingness to take on risk led him to the commercial property market, where his first business venture with a childhood friend involved an investment of A\$6 million (€3.8 million) for a small neighbourhood shopping centre.

“Within a few years I had bought out my partner and started expanding my little empire, facilitated by a national

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property boom,” he reflects. “I learned how important it is to have the right team around you and additional financial resources to draw upon, if necessary. I also learned to identify the important issues to pursue and allow the inconsequential matters to fall by the wayside.”

Bonétt built his business deal by deal, always focusing on enhancing relationships as he went. As he gathered a team of like-minded people around him, he became ever more confident in Precision’s mission to make a positive difference in whatever it did. “I chose the name Precision Group because I envisaged that my journey would be a highwire act, striving for excellence in an environment where there is little room for error,” he says.

Bonétt may have been young when he started out, but he was fortunate to find people who supported and believed in him nonetheless. In Australia, there were a number of people in the business community prepared to back young players. In his mid-20s, Bonétt found himself at the negotiating table with one of the country’s most prominent men in finance, former Babcock & Brown CEO Phil Green, discussing his plans to acquire the Port Canal Shopping Centre in Adelaide.

“In a lot of other countries, young entrepreneurs wouldn’t be given a chance,” Bonétt suggests. “In Australia, some are willing to try to negotiate a deal with you.”

SPREADING ITS WINGS

Precision’s first decade was spent managing tight financial arrangements, with the team always on the lookout for creative ways to do things more efficiently. The breakthrough came in 2002, when the company had created enough equity to pay off its startup financing and started to work with bigger financial institutions. “We then spread our wings and started to take on bigger projects across Australia,” Bonétt smiles.

A few years later, the company had its wings clipped by the 2008 global financial crisis. “There were many dark days, but we had to stick together and tell ourselves that if we continued doing the right things, then we would get through it,” Bonétt recalls. “Companies were going under left and right, and when the builder we had contracted to build the largest Apple store in Australia

went into liquidation, I realised that we needed to focus on our financiers.”

That’s where the Bank of China came in. The company spent six months courting the institution to become its first-ever local customer in Australia. The bank refinanced the majority of Precision’s property portfolio, allowing the company to move forward with confidence. In addition to being focused on its operational requirements, Precision values strategic thinking and reinvesting in its portfolio.

“Because each asset is ours, we are focused on outcomes. Our teams use the most advanced processes and technology available to develop and implement initiatives that consistently increase income, reduce risk and enhance value,” Bonétt asserts. “We are true retail property professionals because we own and manage our assets. We create a consistent experience – one that’s built through genuine partnerships across asset and leasing management, facilities and project management, marketing and safety.”

For Bonétt, developing and managing successful shopping centres means more than creating a place for people to shop, just as achieving success in the retail industry goes beyond supplying goods or services. He sees shopping centres as the village squares of the modern age – places to connect and feel a sense of belonging, where retailers show shoppers an understanding of their wants and needs, and that they stand for something. It is an experience that cannot be replicated online.

Looking to the future, Bonétt’s vision for Precision is to simplify complex deals and take advantage of assets the market doesn’t want. “Over the next three to five years, my aim is to grow the business and keep that philosophy. What I need to do is stay flexible and stay open to a rapidly changing market,” he says. “The business environment is currently changing more rapidly than ever, and the polarity between success and failure is ever widening. Embracing an attitude of incremental change will allow us to stay ahead of this curve.”

That will require more of the firm leadership he has shown over the previous decades. “I hope that I will be able to give my team the confidence and resoluteness to make the tough decisions stick,” Bonétt



admits. “We’ll never stop walking that highwire, but I’d like to think it stimulates rather than suffocates our spirit.”

“I am a self-proclaimed entrepreneur. I believe I have a strong intuitive, strategic sense that enables Precision Group to identify and design successful commercial opportunities. I get things done, persist and never give up; that enables Precision to successfully manage complex, multi-stakeholder and time-constrained projects.”

THE MAJESTY OF DETERMINATION

As a leader, Bonétt believes in sticking it through in the face of adversity, and that there are multiple ways to achieve a positive outcome. The idea is to move through, around or over obstacles, but never to let them stop him or his company from achieving their goals.

“Dealing with conflict is time-consuming, but because many others give up, solving problems is what I believe gives me the edge,” he says. “Having the determination to see a problem through has a certain majesty.”

While the work environment can often be stressful, Bonétt feels it is important not to let one’s own frustrations affect others. People are the most important element to a business, and kindness is vital, he says.

“Being kind to people doesn’t equate to being a pushover. Approaching relationships from a place of empathy should always be our goal,” he urges. “My leadership style is to show pragmatism and professionalism, and I believe that once you give your word and agree to an issue, it is done. Be calm, reasonable and have a practical approach to a deal. Humility is also very important. So is a focus on substance and relationships, instead of appearances.”

According to Bonétt, most important of all is maintaining a winning mindset. “We’re forever optimistic. We’re an industry built on optimism, on confidence, consumer confidence. We’ll stick with that.” ■

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