

Rapid Response Team

One entrepreneurial couple solved a time-wasting problem in their business - and created an application that has made their company a fast-growing international success story.

Entrepreneur: Karen Cariss, Chief Executive Officer
Company: PageUp People
Business type: Development and delivery of people-management software
Employees: 65 full-time
Turnover: (2007 - 2008): more than \$8M
Head office: Melbourne. Offices in Sydney, London, New York and Shanghai
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Key learning points:

- ▶ *Economic downturns* - Don't be afraid (or ashamed) about cutting hard and fast to save the business. What are your contingency plans if revenue falls by another 30% over the next 12 months?
- ▶ *Marketing* - When people contact you wanting to sell, think about how your business might help them to do better - and then make your own pitch.

The PageUp People Story

While studying at university, Karen Cariss (then Downie) saw an opportunity to make something of her boyfriend's (now husband) part-time job. Simon was at university, writing software applications on the side. Karen says: "Every company had some sort of internal database that needed managing. Simon wrote a program enabling a Microsoft Access databases to be easily tailored to a company's needs."

Straight out of university in 1997, Karen and Simon founded PageUp Australia. Karen says: "I was interested in running the business and Simon was interested in the software development. It was a win-win situation."

They set up an office in the back room of Simon's father's suburban legal practice in Kew. Karen says: "It wasn't really an office; it was a room where the filing cabinets were kept, but we squeezed some desks in." Being a couple and working in the business meant there was no other regular income to rely on. Karen says: "I quickly worked out how to feed us on \$20 a week - lots of dim-sims on rice."

Simon was the only contact listed as a specialist with Microsoft Access in the Melbourne PC User Group's business guide. This listing helped the young company along. Karen says: "Our first client was The Business Council of Australia."

Karen and Simon soon saw the limitations of working with off-line programs like Microsoft Access. Karen says: "The applications we developed had to be stored on individual computers; your software might conflict with another piece of software on that computer. It was a difficult environment to manage."

By 1998 Karen and Simon felt that applications like theirs would soon need to be web-based. Karen says: "We were excited by the concept that we could build something that sat on our own servers and which you could access through the internet."

The Challenge

Marketing and selling internet-based software applications to mainstream customers.

The Solution

PageUp's first web-based application was developed to meet Karen and Simon's business needs. In early 1998, after advertising for a web developer and receiving more than 1,000 paper-based applications, Karen realised she couldn't respond to them all. "I didn't have the capacity to get back to everyone ... and that didn't represent our brand very well."

The solution? Simon developed an application that allowed PageUp to receive, assess and respond to applications over the internet. Karen says: "We built the software and put it in our own website. We still advertised the job in *The Age* newspaper but directed applicants to our website."

The software allowed Karen to screen and filter applicants and respond via email to them all. Karen says: "Not only did it save me massive amounts of time but I could actually communicate with everyone."

PageUp's job ads soon attracted dozens of phone calls from HR companies offering candidates for positions. That was another time-consuming hassle and Karen developed a way of fobbing them off. "I came up with a question to ask them: 'What is your web strategy?' Most of them didn't have an answer ... it was really a way of getting rid of them."

But one caller - the general manager of Icon, the IT arm of Adecco - wasn't put off by the question. He had just returned from a symposium on web strategy and wanted to meet. Karen says. "At the meeting, I turned my laptop around and showed them how we did our recruitment. After he picked his chin up from the table he invited us into to meet with the senior management team from Adecco."

That meeting went well. A deal was struck and the PageUp application was commercialised under the brand graduate.com.au in 1999. As the market leader in recruitment application software, PageUp was soon receiving phone calls from businesses that wanted the technology. Karen says: "The first job we jointly secured with Adecco was ANZ's graduate program ... and then the Australian Tax Office wanted the same thing."

In 2000 and 2001 business boomed as other companies saw the success of ANZ and the ATO and Karen cold-called large corporate recruiters. PageUp People was used by SOCOG (the Sydney Organising Committee for the Olympic Games) and the international football federation FIFA among others. Then the September 11 terrorist attacks hit and everything stopped. Karen says: "There was so much uncertainty. People stopped recruiting literally overnight."

The PageUp business model is based on an upfront fee and ongoing application service fees that provide clients with access to hosting, security maintenance, free upgrades and help-desk support. But the ongoing fees from existing clients were not enough to support a business that had grown to 15 employees. Karen says: "By 2002 I had scaled back the business from 15 to six people and downsized to smaller offices. We bunkered down for a really tough year."

But the downturn was temporary and in 2003 PageUp grew by more than 300% with Coles Myer becoming a client. Karen says: "Coles Myer was a huge windfall for us. They wanted to leverage the success of the program and promoted the application widely."

Coles Myer used PageUp for their entry-level Christmas casuals. Prior to using PageUp, Coles Myer might have had to deal with several hundred thousand applicants for less than 100,000 positions. Once they went online, applications more than tripled. Karen says: "The time and money saved by having the application process centralised online can be between 50-100%, depending where you are starting from."

The process cut down on duplication. Karen says: "A candidate might apply at a Coles Supermarket, be rejected and then go across to Kmart. Kmart would spend the same amount of time and money to potentially reject that applicant again."

After Coles Myer's success with PageUp People other large corporations signed up: Optus, BHP Billiton, Macquarie Bank, Flight Centre and Origin Energy all became clients in 2003. Karen says: "The only problem was we'd signed a two-year lease in the small office; by 2004 we had three offices in the same building."

The Result

PageUp People spent 1999-2006 developing its recruitment-management brand and positioning it in the marketplace. In mid-2007 it launched the end-to-end PageUp People suite of talent-management technology and consulting services including: capability framework, recruitment and selection, training and development, performance management and retention and succession.

PageUp People's revenue has grown by 40-50% per annum for the past five years. The business appeared on *BRW's* Fast 100 list for three consecutive years and Karen was listed as one of *BRW's* Top 50 entrepreneurs from 2006-08.

In 2007, PageUp People signed a partnership agreement with Clark Morgan in China, opened an office in London and acquired a talent-management consultancy, Talent Edge. On top of all the business success, Karen also gave birth to her first child. Karen says: "I think it's fair to say that 2007 was a huge year."

Karen and Simon moved to a rural property four years ago. Living away from the city allows them to enjoy a completely different lifestyle away from work. Their daughter attends a child-care centre close to their office. Karen says: "To me a good work-life balance is where you are happy and when you're not stressed - and that's an individual decision."

In 2008 Karen was named as Ernst and Young's Australian Young Entrepreneur of the Year. PageUp People is still 100% owned by Karen and Simon Cariss.

Case study by Performing Words www.performingwords.com.au

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