

# THE **small** BUSINESS BIG **MARKETING**

*show*

INSANELY EFFECTIVE  
MARKETING

**Episode #463**

**Serial entrepreneur  
Carl Hartmann on how  
to successfully grow  
and scale  
any business**



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## **Carl Hartmann Interview Transcription**

**Tim**

Carl Hartmann welcome to the small business big marketing show.

**Carl**

Thanks for having me Tim.

**Tim**

Now amongst other business titles I see you are the Adjunct Professor of Entrepreneurship and Innovation at the University of Queensland. So does that make you like a modern day Dumbledore?

**Carl**

I definitely don't have any magic powers perhaps my superpower is like commercial models and helping inspiring students I seem to be pretty good at that.

**Tim**

What is an Adjunct Professor?

**Carl**

So this is a random story often as you get later in your career and you've kicked a few goals. It's not uncommon for universities to reach out to alumni that might have some interesting stories from the real world to tell. So I think the the technical ways witnesses adjunct means you can't be paid.

**Tim**

Right.

**Carl**

But now it's like an honorary title.

**Tim**

You sit alongside the professor?

**Carl**

Exactly the same academic rank as a paid professor but it's basically you've entered through life merit versus academic study and research.

**Tim**

And when you're asked to be it. Did you hesitate?

**Carl**

No. Because look I'd gone and done a couple of guest lectures and the feedback was pretty positive. And I think they tried to find a way to get you back involved in the community and obviously giving someone a title that recognises what they've done. Because that helps command the respect from students all things like that.

**Tim**

You say you're great at inspiring young people who are coming through. Why do you think that?

**Carl**

I'll put that in my comment in context. So when I started my entrepreneurial journey to be honest there wasn't much here in Queensland there was no venture capital. There was no accelerators. There was no mentoring structures.

**Tim**

This last year?

**Carl**

No this is going back like 2006 to 2008 when I started to sort of explore things so there weren't even linkedin really I think was maybe launched but definitely no one was using it. So really the only way you could start was hard work and hustle. So I'm in back then literally getting the BRW fast growing list one day and just started ringing people and coming up with all sorts of charades sometimes I was pretending to return their call. And would you believe that 50 percent of the people I called actually felt the thing was pretty funny and gave me time. I tried to buy them lunch. And realistically it's when you're starting out you have no idea. So I figured try to find the people that are actually doing it would be a good way to look.

**Tim**

What were you looking for from those calls?

**Carl**

Just pick their brain. This is day one for me and I hadn't had any real sort of entrepreneurial business experience in some cases it was questions like how do you structure an employee share plan? In other cases it might be like. How did you raise money and when did you raise money and how did you value the business. All these things that get way easier as you get on in your career. Very difficult to do at the early stage.

**Tim**

You're out there hustling and asking.

**Carl**

Yeah.

**Tim**

Entrepreneur did used to be a dirty word. It's almost like only the last decade maybe two that it's become kind of de rigueur. Do you think it's now overused?

**Carl**

No. I think an entrepreneur is a pretty big spectrum right. I think most people have the potential to be an entrepreneur and there is probably some type of entrepreneurial spectrum right where there's one that will. And it's probably linked to risk as well. I mean how much risk are you willing to take.

**Tim**

What is an entrepreneur?

**Carl**

I like the saying that if you give an entrepreneur two rocks and a piece of wood they'll build you an oven. Everyone else probably sees some rocks and wood. I think it's the ability to create something out of nothing. You give someone the building blocks and they can literally create industries around ideas. In some cases.

**Tim**

Are they risk takers?

**Carl**

Yeah it comes with the territory. So I think going back to your earlier question. What's really needed in any entrepreneurial ecosystem is you can't sort of understate the knowledge of those that have done it before and I can safely say for my career if those people early in my career didn't give time. I would have not had any said success I would have failed miserably. Because sometimes it's just you don't know what you don't know right. So to me that helped like immensely and I said to myself at the time if I ever had any sort of privilege of success I just think there's a real obligation to pay that forward. So to cover the whole university arc when I was asked is like actually I think this is a really good forum in order to say he's a brain download everything I learned and to be honest it's just about as much as about their mistakes as it is the successes. And I've definitely learnt more from mistakes than I have success.

**Tim**

We'll talk about those very shortly but you're ringing around you're asking people just a whole lot of questions about running a business identifying an idea. How do you launch something everything employee payroll shares schemes everything.

**Carl**

Hundred percent.

**Tim**

At that point do you have a business idea?

**Carl**

Yes. At this point this is when I was launching Temando

**Tim**

What was Temando? Explained.

**Carl**

My first Start-Up was an e-commerce logistics SAS business called Temando. Today it's been one of the larger ones to come out of Queensland. And basically if you've bought something online you've got to check out you've seen a whole bunch of delivery options. One day to day three day free shipping. That doesn't happen by magic. There's quite a lot of science that goes into that and essentially built a platform that helped figure that out for the retailers and if they're offering things like free shipping to make sure it's profitable and if they're offering premium delivery experiences making sure it's possible because there's nothing worse than promising someone a three hour delivery and comes in two days you've probably lost that customers for life.

**Tim**

Temando was a white label kind of fit of sort technology that behind those websites?

**Carl**

Yeah I mean it's not a branded thing in a retailer's cart. It's just sort of like a payment gateway in a way where it's behind the scenes making things happen.

**Tim**

Okay. We had James Chin Moody on the show a couple of weeks ago from Sendle. So he's a consumer facing.

**Carl**

Yeah. So like we actually started with a similar model or more so you could say Sendle was inspired by Tremando because we came definitely first but we actually pivoted away from that because you can get a lot of growth pretty early on but if you want to go for bigger customers and it was sort of we were very good at that at the enterprise side of the market. So increasingly as we looked to go further up the value chain we ended up being completely focussed on software. I mean the roots of the business was actually we started with I guess small businesses and have been a bit of a comparison site but where we kind of ended up which was enterprise SAS. So I think as we did that it sort of paved way for others that wanted to focus on that particular niche like Sendle and they done really well.

**Tim**

Temando was a huge success for you Carl where did it get to in the end. You're no longer involved?

**Carl**

No. So I exited in 2017. The entrepreneurial story was we did a million seed. We did a five series A 50 series B and then exited by way of a trade sale to a listed strategic out of France in 2017.

**Tim**

I have no idea what you just said but it's really impressive.

**Carl**

Hopefully your listeners will. But yeah. So often when people talk about you know series it's just the order in which capital comes. Now we raise capital at a time when there wasn't really much venture capital. And again it is hard work and hustle that got there. Our early investors some of them were the people I had literally picked up the phone to ask and some of them later on did contribute to our first sort of structured ground and and so forth..

**Tim**

So Temando the sale of exiting of Temando allowed you to really become a serial entrepreneur.

**Carl**

Yeah I tried doing nothing for a little bit. That didn't even last 12 weeks to be honest.

**Tim**

How would you measure your attention span is there a unit?

**Carl**

To be honest it depends what's needed. Like I can be at an absolute level of detail when needed really. But to be honest I think my value to people is probably strategic thinking outside the box.

**Tim**

When I first met you I was mcing a job for shortlyster which we'll talk about shortly. Another one of your investments and it was the first job I think was in Brisbane. You were sitting in the front row I think I hadn't met you prior to it maybe I just said hello but you sitting there and you're on your phone I'm thinking these guys are not interested in the Start-Up that is about to launch or he has a very short attention span. It turned out you were actually taking notes for the speech you were going to make at the end. That I get it.

**Carl**

Well Tim if I'm doing a wrap up I should probably take a few of the gems that panellists gave us.

**Tim**

12 weeks of doing that. What did you do? Did you just rub your hands together and go I've got a whole lot of dough now. I'm just gonna live the life I'm just gonna be like the Queensland's answered entourage.

**Carl**

No because I was living in San Francisco and part of that was I decided post exit that I was going to pack up and come back to Australia. So yeah basically that 12 weeks was largely winding down and starting to think about where I'm going to live in Australia and so forth. And because it was a great experience living and working in the US for a period of time. What's the Australian saying. The grass is always greener when you have to mow someone else's yard like certainly spending a bit of time in the US. It's an amazing country with lots of opportunity but there's a lot of things you come back to Australia appreciating things like healthcare and safety. I mean it almost seems we take it for granted and then you see how it can be in other places and you like you know what I'm never gonna complain about Medicare again.

**Tim**

Carl what changed for you when you came into a whole lot of dough after exiting Tremondo?

**Carl**

Yeah well I think the main thing is you start to think about what other problems do you want to solve. If I reflect on my Temando experience the biggest challenge honestly was growing and scaling around people. At different stages it's different challenges. So the first 50 people you're probably put a job ad and say you've get a hundred resume every week on the weekend and through luck or skill you hopefully find someone that's going to be a fit and it's probably a degree of founder's intuition that you hopefully get it right more often than not but sometimes you get it spectacularly wrong. And I'll be honest I made a couple of really bad hires that could have had a really dire impact to the business. But you learn from those and go Okay what did I do wrong and how can I've done it better. So there was another person I went to university with pitch me an idea about using data and science to basically optimise hiring and I was like oh geez I wish that existed the last sort of 10 years of my career. And then as I spoke to other CEOs they were like this do exist and you know everyone's got iterations of the problem and sometimes they don't get enough candidates they get like 23 that all and they have a two day window speed type problem. So if they don't jump on that then and there they kind of miss that higher because there is so much in demand they get scooped up by someone else.

**Tim**

So you solve this problem?

**Carl**

Solving. It's an I guess an evolving space but I think when we coined shortlyster the idea was you know if we could use data science and AI to basically match skills qualification and culture the big emphasis on the culture because if you think about when someone reads a resumé you can make an inference rightly or wrongly about how they might be a fit with their skills and their qualifications what's not on a resumé is the soft skills someone's personality. And it's funny because we often will hire for skills and qualifications but we'll

fire for culture. Then you think about one example is there was a guy I hired in the US and previously before working for us he came from the Coast Guard that he pretty had such a high emotional intelligence he presented so well he was hungry he was junior and definitely need to invest in training but he ended up becoming one of our best sales guys and now he's actually working for after pay over there and he's done exceptionally well there as well.

**Tim**

So shortlyster. That's one of your new investments so upon selling just exiting temando you did kind of I imagine get pitched a lot as talking to Andrew banks about this a few weeks ago and he gets he said like three or four pitches a week I would've thought to be a whole lot more. But is that what started to happen to you when it's like Carl's a guy who can make things happen.

**Carl**

A combination of some people pitch you and sometimes you meet founders and you like they really investable people. I think for me when I make an investment probably 50 percent the founder yes 50 percent the idea and digging on the idea it's about how big the market what's the unique economics of the business is there some evidence that they can meet the claim so if you might say hey well potentially I can sell a billion widgets and if you make ten dollars a widget we can make ten billion dollars every other day if you convince one person to buy a widget. Well it might be a nice thesis but it may not be able to be proven. So yes a combination sometimes it's people pitching sometimes it's like randomly I get involved in things I might be trying to contact them as a customer like I invested in a Swedish electric wakeboard company literally because I saw the thing when my mum sent it to me she saying oh you might be interested in one of these and I contact them about buying one and like any sort of expensive toy process purchase you want to try it before you buy it. And they're like oh there's none in Australia. But if you happen to be in Europe you could come to the office and try one and then just as luck had it like I was going to London the following week. So yeah cool I'll just get a stopover in in Sweden. I'll get off in Copenhagen I'll catch a train across apparently it's 40 minutes got to love Europe with high speed transport and ride one and said oh how cold is it going to be. And they're like oh well the ice is melted. I was like so in fairness it was six degrees our dry suit with thermals underneath it was so cold it hurt my bones and I figured if I could have fun in freezing cold water in the nice warm water of Noosa it's gonna be a hell of a lot easier.

**Tim**

But it's another little business you got?

**Carl**

Yeah. So that was one that I started spending time with the founders just like the business.

**Tim**

So you criteria really is for investing in so that you like the founders you can see how is an investable founder as you talk about whether it's a market for it that can actually deliver.



**Carl**

I got to believe in the product. I've got to be able to evangelize it and that value. So in this case I love water sports I grew up wakeboarding if you want a guy wakeboarding it's a three person activity right you can't do that on a moment's notice in the morning when you wake up and go Oh it's warm and there's no wind let's go. So being able to take yourself skiing I thought that's a cool thesis.

**Tim**

You're a guy who operates from a gut feeling. I mean I imagine you would really analyze things and want to see the data and all that stuff?

**Carl**

Yeah it's funny. If you ask me that question ten years ago would have been 100 percent. I definitely use a lot more data these days. And I've done those like Myers Briggs test and I think I definitely need data to sort of support my intuition but if I had to make a call I'll generally go with gut.

**Tim**

You've had a great career so far I want to get to talking about the five learnings on how to grow and scale a business with a lot of small business owners listening Carl before we do that highest point of your career? Like that one moment where you have punched the air so hard you know it hurts and that low point where you've just shook your head and you've gone. Maybe I'm better off as an employee.

**Carl**

I said look I think some of the high points one of the things I got a lot of value from. And that's good to get I guess social proof is I went through the IBM Global Entrepreneur Of The Year program and that's sort of a global search. You pitched like within your country then within a region. And I got to run around with that globally so there was some regional finals here in Australia. Then I guess we're in the rest of world category Australia so that those semi-finals were in Istanbul and then in the grand finals in San Francisco. I mean that was just cool because going through that program in multiple countries that the judges and the mentors are a combination of entrepreneurs, investors and academics. You get such interesting insights into your business and how to pitch it sometimes particularly Turkey was interesting so we're pitching to a whole bunch of mentors that English isn't their first language. And I tell you what you learn how to sharpen that up on those environment.

**Tim**

Then the low point of your career coming second?

**Carl**

Well yes that was definitely one where we didn't use any IBM tech I thought my pitch was pretty bloody good.

**Tim**

Well as we will Ferrell's character says in what is it Talladega Nights. I think he says if you're not first you're last. So you know.

**Carl**

Yeah 100 percent.

**Tim**

Second pretty good.

**Carl**

I tell you what and history is actually filled with examples of second movers that end up winning. So think about this I mean when I was in university the coolest find was the Nokia with the blue screen. Right. Nokia was one of the most valuable companies in the world like a darling stock 77 percent market share. Couple years later this thing called the iPhone came out and everything changed. And that was probably the moment where Apple just really started to skyrocket. Going back further when I was in high school there was a search engine called AltaVista and it was like Russian roulette of search you just type it in sometimes you get something you shouldn't say other times it's come something completely irrelevant at other times it's actually what you wanted to say. But then Google came out now you've got some of these examples and their trillion dollar companies. It's amazing to see that it's not always the first mover that wins.

**Tim**

I imagine the first mover often paving the way. And it has to incur the mistakes and pitfalls.

**Carl**

There's a great saying that says it's the first mover that creates the rise to get paved over in the process.

**Tim**

Love it. Lowest point?

**Carl**

Look.

**Tim**

Maybe there's not one.

**Carl**

Just trying to think the most relevant one for listeners. One that I reflect upon a lot was I made a really bad hire in my temando story. It was a senior executive looked amazing on paper was the classic looks right. But something just didn't feel right. I was like I don't think this is gonna work out. I went to my board and they're like Carl you can be impulsive

maybe just give it a bit of time. Three months later we absolutely knew it was not the right fit.

**Tim**

Nearly brought the company down?

**Carl**

Yeah created a bit of a cultural divide when you know you're sort of a sub hundred person company. That's a pretty hard thing to deal with. Like anything you learn from your lesson and to be honest that was part of the inspiration for shortlyster.

**Tim**

I should say I guest two weeks ago was Mark Living's Narayana from lyres. Which you are a co-founder of?

**Carl**

That's right.

**Tim**

I met Mark at one of your events. Clearly you like what a character. He knows branding and marketing backwards. He's charismatic completely believes in lyres. What did you love about Lyres?

**Carl**

So look and so when I came back to Australia I joined Mark's board at Brand link which is one of Mark's other businesses ironically I actually co-founded that one with him as well it started off to be a joint venture between temando and his agency at the time kinetic. But yeah my board said Now that's a disruption Carl and now it's one of the fastest growing businesses in Australia in its own right. That's one sort of meeting he had some samples on the boardroom table. He's like try this. And I was like wow that tastes like a Jack Daniels and he's like Yeah it's non-alcoholic. And I was like no. And then I tried to gin and I was like wow can we make a gin and tonic. And we did. And I was like this is next level. And then I guess he started give me some of the background about how lots of Millennials are making healthy choices. You know you've got people that have grown up over time and now they've drink a lot less and in their more mature years. And then and he gave me the background and how he was sort of telling a lot of his customers of brand link saying hey this is not alcoholics this is gonna be a massive trend and not everyone was sort of taking it that seriously. And I reflected on my own journey and there was one year I travelled 500 thousand miles I did 230 days of travel and from conference to social event to social event and honestly the booze you pack o quite a bit of weight and you know you get to a point and you go I just can't keep doing that. And also some of the places where it's intertwined with the socialization. So at places like London I mean you know I go there and people have like four pints in a row every night. I'm just physically can't do it. So for me it's like I know my limits. And often I just drink water but you get the weird looks.

**Tim**

Lyres is a winner?

**Carl**

Yeah. So I just thought I had millennials that worked for me. I know people up here in Noosa that don't drink anymore because they're making healthy lifestyle choices. I see different ads. It goes back to that addressable market thing right where you can see the addressable market is big and growing. And my own personal circumstances is like hey if I had an alternative I would definitely consume this product. So again I can evangelize it. So yeah I see immense opportunities with Lyres.

**Tim**

Carl top five learnings on how to grow and scale a business I reckon we'd all love to hear what you have to say in that regard?

**Carl**

Well I think I might steal some from my lectures because it's front of mind. So look first thing I always say is focus right. And the main reason for focus is particularly when your first time founder. Everything is new and exciting. You'll go and speak to 100 different people you get 100 pieces of advice like opportunity present itself and want to pull you in different ways so I think one of the really important factors of being an entrepreneur is being able to see the tree from the forest say take everything with a grain of salt make a decision lock it in and being able to sort of put the distractions. It's a lot easier said than done. It does get easier with experience.

**Tim**

Is there any tip on being focussed just being brutal and actually saying. I mean many business owners find it hard to say no to opportunity.

**Carl**

Look there's probably three or four different strategies but one of the easiest way is just make a little matrix and basically understand its importance. And is it something that you have to do. Say if it's important and it's urgent. Do it now. That's the thing you gotta do. If it's important and it's not urgent you might be able to put on the backburner or delegate it. So it's just I guess whatever is the right mechanism. It's probably just putting the right decision matrix in governance around your time and finding a way to put things in the right boxes so you'd avoid rabbit holes because there's certain things that can just actually let's make that the second one you know cause there's certain things that can just become complete time sinks. So your ability to not get sucked into some of these things becomes really important and often you you're in a meeting and you can just know that it's just consuming the conversation and it's not actually about the whole point of the meeting you just got to be able to be a grown up and say Great topic park that let's just explore this separately and not go down that rabbit hole.

**Tim**

Number three?

**Carl**

Number three I think this is probably another iteration of focus but probably bit more tactical I call it. Don't fight the war in too many fronts. So the world can be your oyster. You can have a big blue ocean of opportunity. At the end of the day you need to be very tactical in terms of where you go to market and because you've got limited resources. So often when I see businesses come into trouble they might be trying to go to market with a very labour intensive model in five or six countries at once. I mean you just simply don't have enough bullets and that sort of scenario to continue with the analogy or from a product if you're a technology company you might have five ideas you've got enough resources to build one. Now if you tried to split your development capacity and try and say build two or three things in parallel. Chances are all of those are going to be substandard. You better off just doing one extremely well. Make it polished moved on to the next thing.

**Tim**

We talked a lot on this show where one can be a dangerous number in business but one can also be an incredibly important number in business. You focus on that. So you would subscribe to doing one thing well as opposed to spreading your many things?

**Carl**

Absolutely. Yeah. And look I think probably the best example I can give listeners is something like the Atlassian story. I mean they started with Jira. That was product one. Atlassian is Australia's biggest tech company today. I'd have to look at the market cap that it's being listed on the Nasdaq and it's in the tens of billions now. They're doing super well. But if you know their story they start with one product that gave birth to another and they've just become basically Atlassian the software you used to. If you're building software that's used by most of the biggest tech companies in the world. So yeah it's definitely Australia's largest success story. But there's definitely some lessons in both the way they've scaled their execution and their commercial model for sure.

**Tim**

Number four Carl how to grow and scale a business?

**Carl**

I'm going gonna say hire good people. Entrepreneurship is it's a team sport like any founder that thinks they might be the centre of gravity within the company but anyone that thinks they can get across the finish line is very mistaken. Your ability as an entrepreneur to create a shared vision and rally a team around you is basically one of those make or break skills you either have or you don't. But making sure there's people around you accretive to completing the mission becomes super important.

**Tim**

It's easier said than done though. Good people. Any business owner out on the street. What's your greatest challenge. It's attracting and retaining great people.

**Carl**

100 percent I mean that's why we created shortlyster. Speaking about that company and that's been designed to. So even a small business that doesn't have a lot of budget to bring in some say external talent or recruiters the first subscription there is free. So we wanted to make sure that people that need it the most can still get value from it. And obviously as you grow there's paid subscription as well.

**Tim**

Number five?

**Carl**

I'm going to say like I say capital is oxygen. So basically in any business you're doing you're going to need to be capitalized. Now you can either bootstrap it reinvest all your profits back into the business and grow it that way. Otherwise you're gonna have to think about raising some capital from one of the various sources of doing so but getting that balance right is also important. I can tell you some stories of when I lived in Silicon Valley seeing some companies that raise monster rounds that basically died because they raised too much money. They weren't very frugal. Capital efficient. It's probably the technical term they were spending money on things that they definitely shouldn't have spent money on thinking that we just raise another round and to be honest if you raise a big round at a big valuation and you don't live up to the growth hype there won't be a second. That's why I like the oxygen analogy because if you don't have any oxygen you'll suffocate and die. But if you have too much oxygen you can actually explode. So it's just getting that fuel mix right. So you can basically get up into orbit and orbit the earth with perpetual motion. That balance becomes really important.

**Tim**

Carl great tips on on scaling and growing a business. Just to finish. You spent a lot of time in Silicon Valley. You've spent a lot of time in that kind of crazy part of the world where excess and extravagance must just be part of the day part of walking along the street. Any story you can tell? Something you saw.

**Carl**

I've got one good story. We were a sales force customer. Went to the Salesforce conference every year and one year U2 was playing. Yeah at they're at their party. I mean production value of this conference measured in well into the millions. Now this is Dreamforce and I went along. And would you believe there was some young kids in front of me and they were on their phone and they're like Oh yeah. Where at the work party some Irish band is playing. And I was like Come on. Doesn't everyone know U2 is that where these trend generational bands. But you scratch your head and saying OK. But it's amazing they've had like at some of the events they've had U2 they have had Metallica like it's that big. Yeah they just built this massive new skyscraper. I think that's a billion dollar building. That's one of the biggest towers in the skyline just to house all their employees but they're super successful company and they got the market cap to support it all employees need a home.

**Tim**

Just imagine the menus over cafes and restaurants in Silicon Valley would just be ridiculous things on the menu and the cars that are driving up and down the main drag.

**Carl**

It's probably not as much as you think. There are some places that have like the hundred dollar burger that look it's because the nature of it is probably one of the things you'll observe going to sit somewhere like San Francisco is the inequality of wealth is actually pretty massive. So the haves have a lot and the have-nots have nothing. So you actually can get both extremes in a very short distance. And a lot of the really successful people they keep a super low profile. They might have billions of dollars but drive a Tesla because one it because it's electric and two because they don't stand out and three lot of the roads are potholes. Yeah I had a buddy with a Maserati and he only drive it a couple times a year because the rims can't take potholes.

**Tim**

Okay I get that. Hey Carl that's awesome. Exciting stuff.