

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

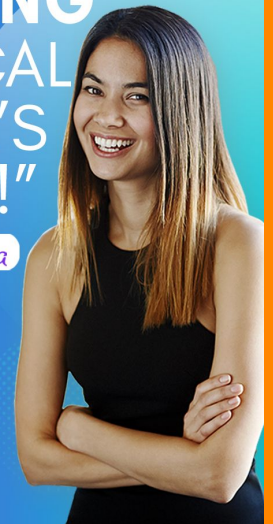
show

INSANELY EFFECTIVE
MARKETING

Episode #470
Canva's Melanie
Perkins on how she's
built a brand valued
at \$3.6 billion

**"KITESURFING
WAS CRITICAL
TO CANVA'S
SUCCESS!"**

Melanie Perkins, 



www.SmallBusinessBigMarketing.com

Melanie Perkins Interview Transcription

Tim

Melanie Perkins welcome to the small business big marketing show.

Melanie

Thank you so much for having me.

Tim

Now I've just got to get the fanboy alert out of the way up front. So it's all out in the open. Okay. I love Canva and I've loved Canva for a long time. So I'm pretty excited to do this interview. And I love it because of what the solution it offers my listeners small business owners so elegantly. And just recently I interviewed James Chin Moody from Sendle another business that I think has a great solution. Very elegant to a problem. There's so much going on here it's just very exciting. So fanboy out of the way and we'll get on with it.

Melanie

That's wonderful.

Tim

What's it feel like to be a 31-year-old CEO of a company that's just been valued at 3.6 Billion Australian dollars?

Melanie

I'm 32 now it feels a couple of things I guess. We've had this idea for a long time now it's been 11 years since I first came out with the idea. Canva's only been launch for 5 but it was such a long journey trying to get investors on board. Getting engineers on board. Building the product within a year of job before we launched our first one. And so it's sort of a long time to get to that point in time. And so now to see it being used by millions of people across the globe that's incredibly awesome. Seeing so many small businesses get so much value out of it. We've got 25000 non-profits using it. Over 15 million people using it every month. We've got a team of 600 people. Like they're all completely crazy things.

Tim

They're pretty good numbers.

Melanie

They're good numbers. It's wild. But on the other hand, we've done such a small amount of what we'd like to do. We've done 1 percent of what we think is possible. And so where I spend most of my energy and time is thinking about 99 percent of things we are yet to do and all of the problems that I want to see solved.

Tim

Let's get to that. The future-gazing later in the interview. I'm going to act a little bit of stupidity because I don't understand numbers very well and 3.6 Billion in anyone's language is a big number. Is there like a 30-second definition of how someone gets to a 3.6 Billion dollar valuation?

Melanie

Yeah. So I had to learn all about venture capital and investors when we're raising capital for Canva. So with my first company fusion book, it was a bootstrapped company. Which meant that we didn't take on any external financing which was really great because it meant that we learned how to build a company and become profitable and market and do all the really important things for a small business. But then with Canva, we knew we wanted to take that concept of simple design platform and apply it to a much broader market. And so with that, we needed to raise money and we raised money from some incredible investors from both in Silicon Valley and here in Australia and how those process works are essentially they give your company evaluation. And so when we first raised it was at an 8 million valuation. So we take in some external financing and then that takes equity in the company. And so then as the company grows their equity grows as well.

Tim

So at 19, you had the idea to disrupt the entire desktop publishing industry. Were you looking to be a disruptor at the age of 19?

Melanie

At 19 I thought that in the future it was inevitable that things were going to move from being desktop-based to being online. I also thought that it was really apparent that it shouldn't be so complicated. So students would take an entire semester to learn where the buttons were. They'd have to read the long instruction manuals.

Tim

This is like Photoshop and InDesign?

Melanie

Exactly. They were teaching Dreamweaver all these other products and they were really really complicated and so it seemed really apparent a few things that were going to be online. They were going to be simpler and they were going to be collaborative. So rather than having to PDX and large files on backwards and forwards they should be updated online. So that was really apparent at that point in time.

Tim

What were you looking for a business idea or you were just one of those people who were really frustrated and go and actually said I've got a solution to that?

Melanie

Yeah I mean I think I'd taken one entrepreneurship course in my study. But it was really a strong frustration and it was such an apparent problem that people were struggling with. All my students were struggling with. I guess that's where it started.

Tim

What other industry would you love to disrupt or say disruptive right now?

Melanie

So I guess within our own ecosystem there's a whole host of things. So there's obviously the desktop-based products like the whole design and publishing space. But then there's obviously stock photography because if you're trying to create a professional design, you have to get all these different industries so the desktop tools. I'm going to use things like stock photography sites font sites illustration sites having to collaborate and go backwards and forwards via things like Dropbox and email and then actually creating content videos all sorts of different things. And then finally creating a design and then having to share it by all the different methods our goal is to take all these different industries and ecosystems integrated into one page.

Tim

You don't go out on the streets these days and go oh gee I wish someone would just do something about that industry?

Melanie

Well, I think that in my very optimistic sense I think everything is getting kinder and more efficient and more democratized and everyone can access it rather than it being just a few people. And I think that's happening across every single industry that we look at.

Tim

The first iteration of Canva was called Fusion books which made it easy to design high school yearbooks. Why that niche?

Melanie

School yearbook corners get an extra end of the rodeo because they get stuck trying to create a publication. They haven't necessarily had any design experience or publishing experience and all of a sudden they're having to create this publication that's going to go out to hundreds of thousands of people which is a really tall order. And so it seemed like a really great market to start with because the problem was just so pronounced. And they also then purchased the books at the end of that process. So not only were they having a really hard time there wasn't any software available for them. And then on the tail end of that, the way we create our software and people would purchase their ebooks at the end. So it meant that as a bootstrap company we would actually make some money.

Tim

And that's how the business did make money?

Melanie

That's right.

Tim

Did you give away the design for free?

Melanie

Yes, people could use our software for free and then print their ebooks with us and actually ends up with yearbook printing. The printing press in my mom's living room with staff in there took over the garage and I had pallets of paper and waste cartridges and these massive ink cartridges.

Tim

My mom wouldn't have let me do that in a million years. You got a really cool mom.

Melanie

Yeah, she is incredibly kind of supportive.

Tim

So we've really got you to thank for all those yearbook coordinators who have stopped using comic sans as a typeface?

Melanie

Yeah, it's not available.

Tim

It's not available on Canva?

Melanie

It's not available in canva either

Tim

Yeah. Whoever invented that font has got some questions to answer. You borrowed 50 thousand dollars from friends and family to get fusion books off the idea pad. The launchpad. How was it asking for that?

Melanie

So my grandparents passed away and it was actually the inheritance that they had left my mum and mum very generously loaned that money to us. So that was obviously a huge weight on our shoulders to ensure that could be paid back.

Tim

Do you remember paying it back?

Melanie

Yes. It was a very special way. Because I guess when we first hired the software company. We hand over that cheque for the first time it was like this is crazy. When we took out that loan obviously banks would turn us down and we couldn't get a loan from anywhere else. And if we hadn't been able to pay that back we're gonna payback in some shape or form someway or somehow but I remember when I gave the check over for the first time. We were really worried like we're gonna have to make the company work.

Tim

You gonna make everything work.

Melanie

There's a lot of things I had to fall into line to actually get that to happen.

Tim

Did your mom thinks of taking equity at that point or she was just happy to see the 50 thousand dollars return?

Melanie

Very happy to see that 50 thousand.

Tim

It's funny because I interviewed Kate Morris from adore beauty. She also did exactly the same. Borrowed from her boyfriend's parents she actually can't remember repaying it.

Melanie

Oh really.

Tim

At least for you, it was a very special day.

Melanie

Yes.

Tim

So the business is going on beautifully. You help with all these wonderful yearbooks come to life. At what point did you think okay this is gonna get bigger. And the idea for Canva really became your sole focus of attention?

Melanie

Yeah. Actually quite early on when we created and see what program schools kept on saying to us. Can we use this to design other things? Can we use it to create documents or canteen menus and all sorts of other things? Surely there's other software available that does this and I looked around and it certainly wasn't. And then an investor came from Silicon Valley to Perth and I had a 5-minute chat with him after a conference and he said if I went to Silicon Valley he'd be happy to meet with me. So I jumped on the plane to Silicon

Valley. That was after he kind of just ignored my emails a few times because I kept on asking to sign NDA which apparently you don't do to investors I didn't notice at this point in time and in preparation for going over San Francisco. I got my entire deck together. The future of publishing and really consolidate a lot of those ideas I had floating around my head for a while.

Tim

So this fellow's name is Bill Tai?

Melanie

That's correct.

Tim

I don't know Bill but I'm told he's a pretty heavy hitter in the venture capital kind of game?

Melanie

Yeah that's right.

Tim

You're naive Melanie Perkins back then and I'm just gonna talk to this guy. He might be able to help me. So he said I'll hear you out if you come to San Fran and pitch me. Is that the deal?

Melanie

Pretty much except for its sort of the shoe is on the other foot in that hey I said I'm going to be in San Francisco. Do you want to meet up?

Tim

Audio program Melanie is doing a weird eye movement. So you would go to San Francisco, were you?

Melanie

I was like well if I say I'm going to San Francisco and then I happen to be like I didn't want to make it seem too apparent that I was too eager. So just sort of yeah I'm going to be there.

Tim

Yeah, I'm going. So you hopped on a plane. You finally got a hold of him? Got a meeting?

Melanie

Yeah.

Tim

Booked a trip and you pitched it?

Melanie

I actually printed that on my printing presses and I tied it up with some beautiful ribbon and it's said the future publishing and it's incredibly dorky. But I think it was kind of funny. I don't think many people pitch on paper pitch decks.

Tim

Certainly not in Silicon Valley.

Melanie

I didn't realize it but I think I went in like incredibly naive. The thing that I was convinced of was that this was the future. That was the one thing I had done part.

Tim

You still got that deck?

Melanie

I do

Tim

What made you keep it.? You got a soft copy or hard copy with ribbon?

Melanie

I don't know that I have the ribbon.

Tim

They should be downstairs in a glass cabinet.

Melanie

I've got a few different variations. I printed quite a few copies at the time

Tim

So you've pitched Bill. I understand you're trying to copy his body language. You'd read somewhere where copying body language is a good idea? That's why I'm leaning into the desk right now copying you.

Melanie

Apparently. When I was studying communications psychology in commerce. And part of my psychology talking about mirroring and apparently people like you more if you do. I don't know if this is true but I was like anything. Yeah, I gave that a shot.

Tim

What was Bill's advice at the end of the was it an hour meeting or whatever it was?

Melanie

So it was awkward. So I was like I went over to San Francisco. I have my paper pitch deck trying to eat lunch trying to convince him of the future publishing. And I don't recall his advice at the end of that meeting.

Tim

Was he on the phone a lot too?

Melanie

He was on the phone a lot. So he was sitting there. I thought he was just completely disinterested in what I had to say. But fortunately, when I went home I realized that he was actually introing me to all of the different people. And then the following day he actually said he'd be happy to invest if I could find a tech team which was incredibly awesome. But it actually then was a year of trying to find a tech team.

Tim

Is that a big ask? You didn't have a tech team.

Melanie

I did but we'd been using external development.

Tim

Like an agency.

Melanie

Yeah exactly. Bill introduced me to Lars who co-founded Google Maps and Lars knew the technical complexity of our project.

Tim

Sorry. So let's just go back one step a bit. I want to hear what you're about to say but you've just been introduced to a bloke who invented Google Maps?

Melanie

Yeah.

Tim

That's a good intro.

Melanie

It was a crazy intro. In fact, it was so bizarre. So when I was in Perth. Bill had ignored a number of my emails. And then I told him I was coming to San Francisco. And instantly he introduced me to Lars and then so I had these 2 meetings lined up when I went to San Francisco. Bill one day and then Lars the next.

Tim

Did you ask him why that happened?

Melanie

He's this hyper connector.

Tim

Right. That's his thing.

Melanie

That's his thing. Just connecting people. But probably the persistence of the quantity of emails that I was sending him. Every time I sent him another email I'd report on the progress that we're making. So I would always try to find a new reason to email and to have said that I've now achieved something good or rather that I had said that I was going to do.

Tim

So Bill said I want to give you some dough but not until you get a tech team. In order to get a tech team, I want you to meet the bloke who's invented Google Maps Lars Rasmussen.

Melanie

Yeah.

Tim

And you meet Lars and did he then spend the next year helping you find the tech team? What did Lars tell you to do?

Melanie

So Lars. So we had a really great chat. And we both had a really similar philosophy about the future of publishing. The future of communication. Which was really cool. And then he said that he'd be happy to help find tech team. But what that actually entailed was a full year of him rejecting every single person I brought him. I spent 3 months in San Francisco until my visa expired and I moved to Sydney and then continued to pitch to lots of people. And then he was rejecting everyone they went up to the technical scratch they didn't have this startup gutsy whatever it might have been. And that was really frustrating

Tim

What's Lars like? Is he like a like the king of the code monkeys or is he like a nerdy guy or really fun guy?

Melanie

He's just this lovely nice normal person that when I met him for the first time it just completely transformed my view of what was possible. Because he is a nice person that has created this company that has huge impacts across the whole world. And so meeting him was pretty powerful because it was sort of like ah people who are creating all these amazing piece of technology are just nice normal people rather than from another planet which for some bizarre reason was the way I thought about it in my head. You kind of imagine you're a consumer rather than a creator

Tim

He's just a normal guy. OK. So now your sending all these tech teams resumes to Lars. He goes no no

Melanie

And sometimes in person. Like if they passed his first test like yeah they seem all right. And then I bring them to him physically and then he'd reject them.

Tim

Were you getting frustrated with Lars? Like Lars just choose someone we can make them work

Melanie

That's exactly how I felt. I was like we need to get started on this thing. If you just keep rejecting everyone do you want the job?

Tim

How would you know anyway Lars what have you done? No

Melanie

Then he introduces us to a number of people that he'd worked with previously and who eventually joined our team. So our co-founder Cam and then our CTO Dave Hearnden eventually we convince them to leave their existing things and join up.

Tim

Co-founder Cam, is he the one way you pitched with a whole lot of pictures from his Instagram in order to get him along?

Melanie

That's Dave Hearnden.

Tim

There's a great story there.

Melanie

When Dave said that he was going to join us and Google for obvious reasons didn't really want him to go.

Tim

What was he doing there?

Melanie

He was working on an important project that they didn't want him to go. And so we raided his facebook and put together a story. It was like Dave join us and change the future. The

face of the Internet or change the future of design. And we kind of went on this journey. It is quite hilarious. I think we still have the top result if you search bizarre pitch deck.

Tim

Does he agree?

Melanie

Well, fortunately, he said that we'd put a smile on his face.

Tim

No doubt it was charming and naive keeps coming back to me is a word which all start-ups are at the start because they're going to change the world. And I guess you heard that as well. Do you feel like you've been able to maintain some of that naivete or have you hardened up in the 10 years since Canva's launched?

Melanie

So one of our values is to set crazy big goals and make them happen. And I think inherent in a crazy goal is you don't know how to achieve that crazy big goal because by a matter of fact. And so I think that's really important to continue to have outsized dreams. Dreams that are way bigger than what you know how to achieve. Because without that personally, I'm not as inspired and so I like to continue to have these crazy big goals and just be able to take that step forward without being able to see the end of the path

Tim

You had three months in San Fran. Sleeping on your brother's floor who is been living over there. You are working out of a coworking space in a Westfield shopping centre. At this point only looking for tech teams. You're not looking for money. You have a year of just trying to get a tech team.

Melanie

I was pitching. I was taking any meeting that I could

Tim

So rejection is big on the agenda.

Melanie

Constant.

Tim

And you maintain a belief a self-belief. How did you not lose sight of the fact that you're onto something?

Melanie

I think what was important and is important regardless of what you're doing is to have a really clear picture of what it is that you want to achieve. And it was inevitable in my head

that this was the future and the question was whether or not I got to build it. And so I wanted to figure out some way to make that happen. And we had 5 years of experience with our previous business which certainly gave us more confidence that not only is this definitely the future but we've got some pretty good skills now and had to actually do these things.

Tim

You find a tech team. Finally. Lars has gone tick.

Melanie

Yes.

Tim

What happens then?

Melanie

Over that time there is a lot of pitching of investors as well. And a lot of rejection. And then finally money came together. A tech team together and then it was a year of development and then after a year of development. We launched in 2013.

Tim

Okay after a couple of years of development?

Melanie

It was 1 year get development And investors were like what are you doing because the whole lean start-up thing like can't you build it in a weekend.

Tim

Melanie, I understand Bill Tai invited you to a kite surfing conference in Maui. What was that all about. And what happened there.

Melanie

Yeah. So Billy has this thing called had mai tai and Mai Tai is a kite surfing conference for entrepreneurs and so to go to the kite surfing and entrepreneurship conference I needed to learn to kitesurf and so every time I'd give a business update I'd also need to give an update as to how my kite surfing skills were going. And so despite the fact, I find kite surfing quite scary especially in San Francisco where it's really cold and windy. Not a great place to learn. I needed to learn to kitesurf and I guess we had no networks at all in Silicon Valley so a door opened a little bit needed till they sort of went my foot in and figured out how to get in the door. We went to kitesurf

Tim

At the kitesurfing camp or a conference. You asked to pitch because it's just full of venture capitalists investors?

Melanie

That's exactly right.

Tim

And are you with other start-ups there or did you just weasel your way in?

Melanie

There are a few start-ups there. But we definitely didn't have a speaking slot and so the evening before I ended up rallying a number of people who started rallying on our behalf to try and get us a speaking slot in the morning and ended staying up all night trying to repair our pitch then pitch the following morning in front of a roomful of people that we were completely intimidated by. We hadn't at this stage met many people in the tech world. And so it was very intimidating but it was also really awesome in the end because the ex CEO of Shutterfly was there and took a keen interest in what we're doing and a host of other amazing people.

Tim

What's your view on that. All the business owners listening to this you've found the courage you don't seem to be an extrovert. I'm going to guess you're more introverted.

Melanie

That is very very correct.

Tim

But you believed so much in what you were doing that you thought I'm just going to take any opportunity. I don't care if I'm petrified embarrassed, not a seasoned speaker you just took opportunities is that a big part of your success?

Melanie

Yeah, I think that's critical because if you don't you literally won't be able to succeed. Like if we hadn't taken the meetings where we're completely terrified or taken the talking the speaking spots and rallied really hard to get them. Canva definitely wouldn't be here today.

Tim

Wow. So did you walk away with a few checks?

Melanie

You'd think so but that doesn't quite work like that. In another few months of pitching, we end up having pitched a lot of people. Still getting a lot of rejection and we ended up raising something that's called a party round. So typically you'd have a lead investor and they take the majority of your round. But because people liked what we were doing but they didn't necessarily. It was a pretty big bet to make this random come from Australia was going to build the future of publishing. So a lot of people putting quite slow checks but we ended up being.

Tim

What's a small check?

Melanie

Everything from 10 grand. I think the maximum we got in was 250 which was and also vote of confidence but pretty atypical round. But yeah we got that together and then we set to work

Tim

Understanding that your approach to pitching wasn't to ask for money but for advice?

Melanie

Yes, that is very correct. So after a little while, you realize that if you at the end of meeting with an investor say so are you going to invest and they say no. And then that's pretty much a door closed on the other hand you say I'd love some advice on my deck and then they say I don't like me I do like that. And then you go and iterate that deck and then you go and achieve a couple of things that you said that you're going to set out to do. It actually makes a much more compelling reason to continue that relationship going and then means that we revise up its deck hundreds of times. That we ended up with a really strong pitch deck. But then we could have all those doors open to then go back to investors and say hey you know that thing that we're talking about that's not done.

Tim

That's genius. Ask for advice not for money.

Melanie

And that's how we ended up with so many investors sort of coming along for that ride because they're all giving up advice.

Tim

So you ended up being oversubscribed which means you obviously had a goal. How many investors do oversubscribed look like?

Melanie

It's more about the total amount of money

Tim

OK. All still with you?

Melanie

Yeah. We have over 100 investors today.

Tim

Is that right? All over the world. Probably not only in Silicon Valley.

Melanie

Alone in Silicon Valley but then hails from Australia and China all over the place.

Tim

So you've finally launched in 2013 after a very long time. You mentioned the lean Start-Up book earlier. You certainly didn't follow that philosophy which is basically just getting an idea to market and then sharpen the offer on the sort start of the market. Something like that. Do you not believe in that or you just did it another way?

Melanie

I think that my philosophy has been to find a problem and understand that problem really really well. And I think that from the years of teaching design programs and then running fusion books we've really intimately understood the problem that people are facing. And in order to build the solution to that problem, it wasn't something you could throw together in a short period of time. And in fact, we need to actually educate people. So for example when we first brought our first product in front of people we used a site called usertesting.com. You can watch people use your site and watch actually videos and movement and they actually talk through what they're thinking and how they're feeling about it and we discovered really quickly that most people are really scared to design. So most people are like oh I can't design something I'm not artsy or crafty or whatever it might be that people tell themselves. And so people were really scared to click around and touch the buttons and so we spent a really long time working on the onboarding process. So we wanted to make sure that when someone came into Canva to design a presentation or marketing materials or social media graphics whatever it might be that they could feel really confident in a short period of time and then they would actually love it so much they'd want to share it with their community or with their friends or family. And so we spent a huge amount of time refining that experience. And so I think that contrasts greatly to the lean Start-Up model which was more about like sort of put it up and think people like it as more like us here's a huge problem. Here's the solution and then we need to work on the education to ensure that people understood the power of that solution to solve the problems that they already had.

Tim

Describe version one of Canva in 2013. What did it look like?

Melanie

Remarkably similar to what we have today. There was a really similar interface with the tabs down the side making tutor backgrounds and access to our stock photography and illustrations. Upload your own photos over the years, of course, we've added a lot more things they can connect to different data sources you can now go library 50 million images on the template library 50 thousand templates that people can use. So the philosophy and the concept were really similar today as they have been for years.

Tim

So literally just adding more things? Amazing that it hasn't changed. Some brands launch and then you look back 5 years and it's a completely different brand. But others obviously like yours remained.

Melanie

Added like new dock types. So when we launch I think we had 7 dock types to choose from now there are 400 different types of things you can design in Canva. But I think that the reason why it's so similar today is because of ideas with Fusion books. So actually if you look at the editor with Fusion books it's actually quite similar to Canva today

Tim

So you'd already ride tested it. You kind of knew what worked.

Melanie

And we'd spend a lot of time that we should give every single customer a phone tutorial. So we spent thousands of hours on the phone actually talking through the interface and really refining the experience.

Tim

There is so much to be learned by business owners. Listen to this for their own websites because you must spend God knows how many hours and dollars and human resource on usability and the experience of just being online. You look at other websites to get some usability tests done or something?

Melanie

I think there's the full spectrum. We can't overvalue the terms of usability testing. Even just putting it in front of your friends and family and watching them go through that process can be really valuable. Or then if you want to dial it up using a site that actually does things like user testing super valuable you learn so much. Just watching people click around and explore and see where their frustrations lie.

Tim

Well, I guess it's a bit like Steve Jobs where he just the computer. It wasn't going away but gee it was ugly and he found that sort of intersection between functionality and form and beautiful design. You saw the same haven't you with desktop publishing? You launched with 50000 subscribers. What's the terminology here. It's a waiting list of 50 thousand at launch before you even open the door. How?

Melanie

Because we had some big names behind Canva when we ran out of the gate. So with the investors like Lars Rasmussen and Bill Tai and a number of other like Blackbird Ventures from here in Australia and Matrix Partners from Silicon Valley. It meant that we were able to get a bit of press when we prelaunch. So we said that we're launching but we weren't telling anyone at that point in time what we were launching. So we talked about the problems. Design is hard and we're going to solve this. We can revolutionize this. But we

didn't say specifically what we were doing. And so I think we hope to build up a bit of intrigue because they were like what are they doing. And then we have a page where people can register their username and so that has helped to build that.

Tim

Why would they do that? Just out of curiosity or you offer a free?

Melanie

Yeah. Out of curiosity. People sort of like what is going on here. I'm interested. And there's a whole tech community around that are kind of interested in pre-launch things

Tim

Tell me about the day before launch. The night before launch. I'm sure there's a big green button somewhere that you push and the website goes live. Tell me about that.

Melanie

So it's funny I was in San Francisco. Again back on my brother's floor but he was out of town and it was just me there and in Sydney, everyone was working really hard around the clock trying to get the product ready and I had been communicating backward and forwards. We were kind of feeling like we're ready. We had an embargo with all these journalists. I was about to go like lay down and have a couple of hours sleep. I'm ahead of the big day. And then I went on Twitter and the embargo had been broken by a journalist.

Tim

Just to be clear what that means is you put out a press release to media saying this is what it is. Don't tell anyone.

Melanie

That's exactly right.

Tim

Until a certain time.

Melanie

That's exactly right. And so they had actually just gone and published the article a couple of hours early which of course meant that every other journalist are really annoyed. And so we have a lot of angry journalists. And the article was also really negative. So the article said that a cheesy stock photography side and all these mean things. It was like after all this time and all these years of work it was pretty disappointing to have had such a negative reception but fortunately it was just that one article and then the other articles came out and people were really positive and excited and then the community started to react and they really loved and understood what we were doing.

Tim

Did you contact that journal or you let it go?

Melanie

I'm sure someone from the pr team probably messages the journalists.

Tim

So you launched. Was it a good launch? Did nothing crash?

Melanie

No nothing crashed. Other than that one article. Things went really well. And like if you look at any of our charts we just been growing ridiculously rapidly since then. Every month is always our best month ever except for when it's summer slump. So in the US when people take holidays all of the curves all those graphs are really related to the US work week. The working week across the globe which is quite funny you can actually see when people have lunch.

Tim

I love it. Where are the majority of users?

Melanie

The US is our biggest market but we're in 190 countries now and 100 languages. Very much across the globe.

Tim

Why the name Canva?

Melanie

For years I liked the name canvas but I didn't want to have a name that other people could. So with Fusion yearbooks, I was kind of annoyed with the name because fusion was a.

Tim

Very 80s on the name.

Melanie

Lots of other companies use it. It felt like we couldn't really claim that. I really wanted to make sure that we had the dotcom with Canva without any company. I really wanted to ensure that it was a name that we could really own and claim and I liked the idea that it had to do with a design like a blank canvas. And then we asked the French and we had an engineer who was French. We said whats canvas in French and he said Canva. I'm like wow that's amazing. And then we spent well. I think we got the domain for 2 and a half grand.

Tim

It was in the secondary market?

Melanie

It wasn't. So it had a site on it. Cliff my co-founder pitched them and we got the domain.

Tim

Goodness me. Do you still love the name?

Melanie

I love the name.

Tim

Do you think the name is important for business?

Melanie

Yeah, I think the name is really important. I can give you a whole laundry list of things of mistakes we made with our first name that I really wanted to not make with our second name.

Tim

Memorable. Short. The domain is available.

Melanie

Exactly and not a name that was too limiting. So for us with fusion books that really limited to books. It was a lot of syllables. A lot of in letters. We couldn't get the domain. We wanted to ensure that it was memorable. Easy to pronounce easy to spell. A whole host of things.

Tim

The business model for Canva these days hasn't changed that much has it because you offer an immense amount for free. In fact the majority of the site free or usability free. Where do you make your money?

Melanie

Yes. That was one of our goals which is design should be accessible to everyone and when we mean everyone we literally mean every single person regardless of income regardless of where you live in the world. Regardless of whatever it might be. That was one of the really important philosophies which Canva right from the start. And so that's why there is a really valuable free product and it will be forevermore.

Tim

Anyone can go to Canva.com and design pretty much an invitation a PowerPoint presentation, you name it.

Melanie

That's exactly right. Yeah, everything invitation social media graphics marketing materials. I remember years ago when with fusion books I got a quote for a brochure for a thousand dollars. Like our whole entire marketing budget. And so yeah with Canva we want wanted to make sure that everyone all small businesses can access that.

Tim

So where is the paid come in?

Melanie

We have 50 million images that you can purchase for 1 dollar per image. So if you're using lots of photography in your design. You can purchase that.

Tim

US dollars?

Melanie

I think that's 1 US dollars. We just rolling out pricing right now as we speak. And then you can also upgrade to pay products with Canva pro. And that is to help increase your productivity. So things like saving your colour palette and font palette.

Tim

That's awesome. I love that because what you can do is you can create a Facebook image and then if you want to have that image on Instagram and Twitter and LinkedIn and Pinterest it just resizes.

Melanie

Exactly.

Tim

How much amount?

Melanie

12.95.

Tim

Cheap

Melanie

And then you can also purchase so if you've created an invitation or a business card. You can get that printed and delivered to your door in 44 countries as well.

Tim

Whos that partnership with?

Melanie

Yeah, we have suppliers across the globe in 24 countries now. And so people can create their entire marketing. So in the US, you cannot print your designs and T-shirts as well. On Australia very soon.

Tim

Who will do the partnership in Australia?

Melanie

So we take into end ownership of that. And then we work with providers that can hold fulfillment.

Tim

Gee that's good. Just backtracking a little bit. What made you think during all this development time and getting it to market that once you announce that Google or Microsoft isn't just going to go that's a good idea. We've got lots of money and lots of people who can do it quicker and faster and maybe better. Is that a massive threat? Do you not freak out at that thought?

Melanie

That was actually a question we get a lot from investors when we're fast pitching and people were like oh surely someone's going through 500million dollars or whatever it might be. I think the way we really thought about Carnival was it was completely reinventing an entire industry. There's obviously technical complexity with that. But there's also a completely different way of thinking about the business model. So rather than paying for software, for example, you're paying for the ingredients you're paying for the end product. That was how we explained it to investors was that they have to completely reinvent

Tim

How do you get that many users?

Melanie

A few things. It's been really important to solve a problem that affects a lot of people. Fundamentally for every business. If you solve a problem that people care about they're going to want to purchase whatever product is you're selling and then not only does that help you to get your customers then it helps those customers to want to tell other people. And I think that's been central for more than 50 percent of a community coming from word of mouth that is telling their friends and family we have 50 thousand YouTube videos created just by our community.

Tim

Tens of thousands of blog posts.

Melanie

Exactly.

Tim

Some podcast episode.

Melanie

That's exactly that.

Tim

Hello, now we're talking. I imagine that just seems like an extraordinary amount of customers. I'm guessing for you just think it's good but gee whiz we are just like, I remember Jeff Bezos of Amazon said only a couple of years ago Amazon's at day one but it looks like the biggest company in the world. You feel a bit like that with Canva?

Melanie

Absolutely. So we want to empower the whole world to design so 15 million on a fraction of the 3 billion people on the Internet. It's not even 1 percent. So we say as a company that we've done 1 percent of what we think is possible. But actually, if you do the maths were not at 1 percent yet. So we still have a long way to go

Tim

Competitive wise has there been any who come with the same outcome?

Melanie

Lots of do little parts of what we do. And I guess that was the case before there were stock photography sites and stock illustration sites. But our goal as you know is to take that entire thing and make it successful.

Tim

I'm a marketing guy. I love the Canva brand. I've used it. I visit the website so therefore I could potentially be remarketed to. I very rarely see above the line I wouldn't imagine you doing any above line advertising any online advertising I don't see it coming up in my Facebook feed my insta feed. I do see blog posts about it. What marketing do you do?

Melanie

Main things have actually been word of mouth. Which is pretty cool.

Tim

The best marketing is a great product.

Melanie

I think that's critical if you don't have a great product. Anything else you do will fall to the wayside. We are starting to dabble in those other areas. I think you'll be starting to see more and more of that. Our goal is to get 3 billion people using Canva there's a little bit of work to do. But the goal has been ensuring we've got a valuable product. We've been doing a lot of education through design school so the idea is that they can go and get amazing like if you know nothing about colours and fonts you can actually go and learn about that. Branding and marketing for free there as well.

Tim

Online?

Melanie

Online and give people value has been a pretty cool marketing philosophy.

Tim

Yeah clearly. Getting those tens of thousands of blog posts and all those YouTube videos and now some podcast episodes are great for creating awareness and exposure and getting people to Canva.com. What's the secret? I guess we've answered in a way with your freemium model but what's the secret to converting them into a paid customer?

Melanie

So once people use Canva a lot and they want to increase their productivity so they're wanting to as I mentioned say their colour palette and fonts and they've got hundreds of designs they want to put them in folders and they want to resize their designs. Things that they're wanting to do to increase their productivity so it becomes a pretty natural sell to people when they are getting so much value from the free product then they want to upgrade because they want to increase their productivity and save hours or days a week. It's worthwhile.

Tim

I keep talking to you for a long time. I'm very conscious of the fact that you're probably rather busy. Running these 3.6 Billion dollar company but we're in a Canva HQ in Sydney and I've just done a tour with your PR lady Liz who is awesome in showing me around and this is impressive. This is a seven-story building with an incredible roof garden overlooking Sydney. In reception or downstairs, there was a bar. A proper bar. A proper kitchen. I just need to ask you a couple of questions about explaining this incredible spaceship were in because it is. It's like is this your idea? Where does the idea for this space come from?

Melanie

So one of the philosophies we've had right from the start is they want to create an environment we want to work in. And so all the way back in my mom's living room we'd have lunch together as a team and that's something that's continued today. So in each of our offices they have lunch together as a team. Which is a really awesome and powerful thing because you're sitting down with your colleagues getting to know them as people. And so that's why there are such an amazing cafe and restaurant down downstairs. And I think we've had an amazing team that has been working on this space to really make it have Canva's vibe which we see lots of cats around. Lots of plants. Dogs. The idea is to make it feel like a place that you want to be in.

Tim

No dress code?

Melanie

That's correct.

Tim

Are you trying to create a place to stop people going home?

Melanie

No. We want people to have a healthy work-life balance. I think that's really important as well. Is that people actually have a life.

Tim

The average age out there is quite low. Says the 52-year-old podcaster. But there must be a lot of people who just love working here not wanting to go home and I imagine if we walk through at 10:00 tonight there's still people tinkering away.

Melanie

Yes. It's flexi-time so you can come in when you want and you can leave when you want.

Tim

Get the job done

Melanie

Some people love to come even super early in the morning and leave pretty early and then other people come in a bit later in the day and leave later. So people would just do what they want.

Tim

That's awesome. Complete flexi-time. Get the job done.

Melanie

And we care about goals and what you're actually doing and creating for our community.

Tim

Your pride and seasons. Is that right?

Melanie

That's right.

Tim

Briefly explain that concept.

Melanie

So we do something called the season owner. So at the start of every season. Winter spring autumn we get the whole company together in each of our offices. And we talk about the big goals we have for the season ahead and show off the work that's been done in the season. A really great way to share context and everyone else gets to know what's going on in the company. Obviously when we were 4 people who are really tiny team this wasn't quite necessary. We used to get up actually every Friday and everyone showed off their

work and then that got too big and then we start doing it by teams and then that got too big because we had way too many teams to do that. It's just been a progression since those early days.

Tim

Very rarely ask the question of projecting forward five years ten years I think it's a ridiculous question but I think you would be the type of CEO that could actually answer this question. When I come back in 5 years and 10 years time to do an update interview with you. Where will you be and what will this look like. This brand called Canva

Melanie

So we have a 2step plan. Step 1 is to build one of the world's most valuable companies. We still have a really long way to go on that. And step 2 is to do the most good we can do. And I feel like we have been starting to do some good things. We've got 25000 nonprofits that get our pay product for free. We are supporting all sorts of different local initiatives in each of our offices. There is an incredible amount more that we like to be doing in that space that we have to think about. Also, I guess it's part of Step 1 to build one of the world's most valuable companies. Hopefully, we are a lot closer to our mission of to that. Empowering everyone literally to design anything literally and publish anywhere and literally. Literally was my little add on that.

Tim

Wow, you seem so relaxed about all that. Is there just this incredible pent up excitement in you where you just have to just breathe Mel just breathe. It all happened in good time. Or do you just want it all to happen now?

Melanie

A bit of both. I didn't get what I wanted for a long time. I was like hey investors can you invest for 3 years. And I was like hey engineers can you join me for years. I think that I feel really grateful that I actually have this opportunity to be able to take this idea. Turning it into a product. To have it be used by millions of people and then with our team we're inventing every single day we're thinking like what sort of new delightful amazing things can we give out to our community to wow them. That's an incredible privilege. And so I think that certainly energized me.

Tim

Mel, I've got a little bit of dough in the bank. I just have .85 percent of the company. Am it too late? Is there are a few people in front of me?

Melanie

This would have been the pleasure. A bit of a waiting list we can chat.

Tim

Very polite answer. It's a very polite way of saying no. Melanie Perkins Canva.com awesome story well done. Love the brand. See you in 5 years time.

Melanie

Thank you so much.