

PROFILE: ANDREW BASSAT, SEEK, FOR AUSTRADE

SEEK tops global employment market

By Pam Kershaw

(50 word summary)

When SEEK launched in 1997, it aimed to snare a sizeable share of employment classifieds from major newspapers in Australia. It is now an A\$4.13 billion listed company, and the world's largest online employment marketplace. Co-founder and CEO Andrew Bassat, considered a global pioneer in this field, was named Ernst and Young's Australian Entrepreneur of the Year in 2013.

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After expanding SEEK into New Zealand, Asia, the Americas and most recently Africa, Andrew Bassat says there are considerable opportunities in emerging markets for entrepreneurial Australian companies.

"There are some really good home grown businesses, some of which are now looking to take their experiences and talents offshore," he says. "But business leaders need to be willing to accept a measure of risk. They also need to be able to stay the course through the many challenges that unfamiliar environments will present.

"This should be easier for the larger corporates, but sometimes these businesses, especially the listed ones, are less willing to take a risk than smaller entrepreneurs. You've got to be willing to have a go, but not in a way that bets the farm."

Bassat credits SEEK's success to its preparedness to back its judgements, maintain its entrepreneurial spirit and keep taking risks.

"SEEK has completely revolutionised the way job seekers and employers find each other. We have built a global marketplace where job seekers can efficiently search and apply for jobs, and employers can cost effectively tap into the largest possible audience of prospective candidates.

"There have been hurdles, but we have persevered. There are no short cuts."

After its 1997 launch by Andrew Bassat, brother Paul Bassat and Melbourne businessman Matthew Rockman, SEEK expanded into New Zealand in 1999. It consolidated its number one position with the acquisition of nzjobs.com.nz in 2004.

SEEK's new vision was to connect people with careers, related learning and business opportunities.

It began diversifying in 2004, purchasing the first of a number of online training and development companies under SEEK Learning. SEEK Commercial followed two years later, creating a new online marketplace with businesses and franchises for sale.

SEEK, meanwhile, was moving ahead with major international expansion plans. It listed on the Australian Stock Exchange (ASX) in April 2005 and within six months was in the ASX/S&P 200 Index.

In 2006, it was ready to move into Asia.

“One of the main challenges of globalising an Australian company is that overseas markets are generally larger and more competitive than the home market,” Bassat says. “But proximity to and familiarity with Asia gave us a bit of a head start relative to US companies.

“High population and early stage digital markets were our targets then, and remain so today.”

SEEK steadily expanded to China, South East Asia, Brazil and Mexico. Its strategy was to take an interest in leading online employment sites then, in most cases, increase the shareholding.

China was first, with a 24 per cent interest in Zhaopin in 2006 (now around 56 per cent). South East Asia followed in 2008, with a 10 per cent interest (now around 22 per cent) in JobStreet.

The Americas were next. In 2008 a 30 per cent interest was taken in Brasil Online, owner of the two leading Brazilian employment sites. Two years later it was Mexico, with a 40 per cent interest in Online Career Centre Mexico SA de CV.

In 2010, SEEK’s first joint venture enabled even deeper penetration into Asia.

SEEK Asia, owned by SEEK, Consolidated Media Holdings, Macquarie Capital and Tiger Global, took a 40 per cent interest in JobsDB, a Hong Kong-based business with employment websites in nine Asian countries. The stake has since been increased to 80 per cent.

SEEK’s strategy of targeting successful online companies has delivered impressive results: it is now number one or number two by job seeker visits in all its employment marketplaces.

Other Australian entrepreneurs could well emulate SEEK’s tactic of entering high population, early stage markets, the latest of which is Africa.

“We like the fact that we can make a much bigger difference and positively impact on many more people in large emerging markets than we can in smaller more developed markets,” Bassat says.

“We want to be the best in the world at what we do, and to help substantially more people find a job or develop their career through education than we are doing today.”

If there are particular benefits that come with being Australian or running a global Australian business, Bassat believes they are the Australian spirit and our education system.

“I think Australian education in particular looks internationally to a much greater degree than education does, say, in the US. This perhaps is why Australians have the drive and willingness to look offshore for opportunities.”

The cultural differences which are often cited as possible hurdles to international expansion have not proved problematic.

“We have been received positively in all of the markets in which we operate,” Bassat says. “The thing we find as we enter markets as culturally different as Asia and South America is that there are actually more similarities between digital habits than there are differences.”

As education becomes a major priority for developing countries, SEEK Learning has continued to build its education assets. THINK, a private education organisation that owns several tertiary colleges, was wholly acquired between 2007 and 2009. SEEK has a 50 per cent stake in IDP Education, a provider of English language testing and enrolment services for international students wanting to study overseas, including in Australia.

Partnerships with leading providers including IT vendors, Australian TAFE institutions and major universities have brought everything from short courses to university degrees under the SEEK umbrella.

SEEK Commercial has also grown, with thousands of business and franchise opportunities advertised every month.

SEEK is now valued at A\$4.13 billion and has become the world’s largest online employment marketplace. It has exposure to more than two billion people, with 275 million visits each month to its websites and more than one million job ads posted every month. It employs more than 6000 people globally.

Bassat, who has run SEEK from its Melbourne headquarters since his brother Paul stepped down in 2011, says the company continues to grow because it got the fundamentals right.

“Our starting point is trying to help people. We have focused on building a marketplace by creating a great experience for job seekers, for employers and for our own people. We have always believed that SEEK must be an inspiring and energising place to work – that’s really integral to our culture and our success.

“SEEK Volunteer is now Australia’s largest source of volunteer opportunities, and our own people spend at least one day a year volunteering in the community. It’s these inputs that are important, not simply the output of making money.”

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