

Small business Q&A

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Sharlene Barnes, founder and owner of Kaikoura-based app maker Advert Media, talks to **Aimee Shaw** about overseas investment and how her app for schools and parents is helping communication



What does your business do?
We provide schools throughout Australasia with free school apps which have six main functions on it: push notifications, an event calendar, an absentee function, electronic permission slips, school contacts and in-school information. The Parent Teacher Calendar app is for New Zealand Schools and in Australia, the app is called The Skool Loop. The business began in 2012 and in New Zealand there are 430 schools using the app, and we're currently working with 32 schools in Australia. We're aiming to be the biggest school app provider in Australasia.

What sparked the idea?
When my kids were younger, I found it challenging to keep on top of everything going on at my children's schools while running my own business. School notices didn't always make their way home and often emails would get buried in my inbox, so my motivation came from wanting to ease the pressures that parents and schools are facing to keep each other informed.

How does your background tie in to running the business?
When I thought of this idea I thought of ways where it could be funded totally free to schools and that's where my background in advertising and marketing really helped. I thought of different ways advertisers could benefit from exposure on an app like this. The business is double fulltime, each week I probably work 60 to 65 hours.

You recently received significant investment, tell me a little bit more about this?
In May we went out looking for an investor and the investor that we found was Hong Kong-based, and he provided us with \$100,000 of capital to continue growth and to develop the Australian market. Initially, being an overseas investor, I was a bit wary. However, it has been the best move for us as it's given us a bit more breathing space. With the investment that we've now got we are marketing into the Australian market. By April

next year we hope to have at least 200 schools using the app there.

How do you make money from the app?
We don't charge users or schools to use the app. The way we fund the app to be free is by placing a small amount of local ad content in them. It's normally like the local electrician or the local plumber, that kind of thing. For a full year [of advertising] it's a couple of hundred dollars.

How much competition are you facing in the market?
We've got the only app that is free for schools to use, so we don't face

any competition when it comes to price. Other apps charge a sizeable fee – normally several thousand dollars – for schools to buy the app and then ongoing annual hosting costs, with little or no support included. We don't charge for the app and provide a free support service.

What's the biggest challenge you've faced running the business?
The biggest challenge to start with was that we were told it couldn't be done. Back in 2012 school apps weren't that well known. There were a couple but they were quite overlooked and didn't make a lot of sense unless school staff were really tech-savvy. The other challenge was getting schools on board. Getting them on board consisted of mainly phone calls and demos, and word of mouth. Our biggest challenge was teaching school staff about the technology, one school at a time, showing them how they can improve communication within the school community.

How hard is it to get schools to use your app?
Schools are starting to realise that technology is the way of the future, so a lot of schools are now coming to us. Schools spend a lot of time managing paper-based permission forms for things like school trips, ringing up about last-minute event cancellations, or an emergency forcing the school to close is another

time-heavy task and therefore are very happy to digitise these manual processes that take up staff resources.

In terms of financials, how much revenue, profit are you making?
We've been profitable since our first year of operations, and last year's advertising sales topped \$1 million. We are currently adding six to eight new schools to our books every week.

How have you developed your technology?
I mapped out how I wanted the app to work, and then sought a team of developers who could bring this to life. The app was developed within six months and we can easily add new features in response to feedback from our users. Back in 2012, being new technology, it really took some thinking through and discussions. A lot of the time we were told it couldn't be done. We've just provided permission slips on the app. Initially we were told that electronic signatures on the app couldn't be done but that tech existed so it was just a matter of coding it towards an app rather than a website. It has been a matter of keeping it simple but keeping up with today's tech.

What advice do you give to people thinking about starting their own business?
Feel the fear and do it anyway. It's pretty scary [starting your own business] but you've really got nothing to lose. If you've got an idea, just don't sit on it.

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