

Humanitix's altruistic vision

The co-founders of not-for-profit ticketing platform Humanitix left the corporate world in pursuit of an altruistic vision.

By JOHN EALES

From **The Deal** February 14, 2019

10 MINUTE READ • 

Josh Ross and Adam McCurdie met at school, but it was while they were backpacking together in Sri Lanka, challenging themselves about their futures, that the seeds were planted for an unconventional career change. That trek was years before Josh had established himself in the hedge fund business, Watermark Funds Management, and Adam was working in IT for management consulting firm Accenture. Together they went on to found the not-for-profit ticketing business Humanitix. In the process linked up with the Atlassian Foundation, and last year they also won the \$1 million Google Impact Challenge. I met them through the Westpac Businesses of Tomorrow program, for which I am a mentor, and I have been inspired by their selfless and ground-breaking journey. Many of us have altruistic motives, not as many act in such a personal manner and with such impact. Apart from inspiration, Josh and Adam and their journey with Humanitix offer many hard-nosed business and leadership lessons.

Tell us a bit about Humanitix.

J: Humanitix is the world's first not-for-profit ticketing platform focused on solving accessibility challenges at events for people with disabilities, as well as redirecting the enormous pool of frustrating booking fees into the things we care about. The things we most care about are inequality and education. We're very much focused on solving education because we think that's at the core of inequality. The most obvious inequality here in Australia is with indigenous children. We're also focused on kids who are going to school without breakfast and lunch, for if they don't get a meal they're generally a couple of hours behind in a day, and in education that catches up throughout life. Globally we're focused on literacy programs and life-skill programs for young girls, because there's a lot of evidence that suggests that's the best way to break the poverty trap and solve inequality. We provide an ethical charitable alternative if you're ticketing your event. Whether it's a school event, a conference or a music festival, at no extra cost you can choose to give your booking fees to one of the major ticketing companies or you can put them into reducing education gaps for disadvantaged students in Australia and globally.

What's the formula for determining how much you direct to charity?

A: Our mandate is to give 100 per cent of our profits to charity. It's why we set up Humanitix as a not-for-profit – it means we don't have shareholders to pay so we can give it to our education projects. To keep things transparent we report in real time to our event organisers exactly how much of our fees we have donated to our education projects from ticketing their event.

How did you make the step change from burgeoning corporate careers to a start-up in the not for profit sector?

A: Initially we were working on Humanitix and a few other ideas after work and on the weekends. We realised that the idea of disrupting the events ticketing industry had a lot of potential, but it was always going to remain a pipe dream if we were only doing it in our spare time. So that's when we came up with a plan. One of us would leave his job to focus on Humanitix full time and the other would stay at his job so that we could share a salary to support ourselves. We thought that with my technology and engineering background I'd be better suited to give Humanitix a try, and that Josh could stay in his job and we could share his salary. Josh continued to contribute significantly in his spare time and on the weekends. We did it on a handshake. There was no paperwork; it was just a couple of mates who saw

something cool that could make a serious impact in the world and we wanted to do it together.

And like most start-ups you set it up in your parents' house?

A: Yeah, that's right, literally out of my parents' garage, and we've grown from myself to Josh joining me full time, to having our first employee, also volunteering at the time. Now we've grown into a team of soon to be 15, based here in Australia and now NZ, ticketing thousands of events from school events and five-person yoga workshops to tens of thousands of people at a festival and everything in between.

Humanitix is a not-for-profit business but your competitors are global ticketing platforms such as Eventbrite, Ticketek, Ticketmaster and TryBooking. How do 15 people in a garage compete?

J: The key thing is that we view ourselves as a technology organisation first, and that's because for us to be successful in directing the billions of dollars in booking fees generated by the ticketing industry we have to have a very compelling piece of technology that makes a lot of commercial sense for event organisers, and if we don't have that this is just a cute idea that's going nowhere. From day one we've been technology and client focused first, because that's the only way this idea will scale and that's the only shot we have at getting a chance to redirect these billions of dollars in fees towards alleviating global inequality.

What sort of growth trajectory have you been on?

J: December was up 500 per cent year-on-year and we are now selling hundreds of thousands of tickets across thousands of events across Australia: major football clubs in Football Federation Australia, conferences, venues, large trade expos, schools and a lot of festivals.

How difficult is it to attract good technologists to a not-for-profit business?

J: We initially thought we would have issues attracting good talent because typically a start-up can offer staff, and particularly great developers and technologists, a piece of equity and we obviously don't have that up our

sleeve. But what we found is that our “why” as an organisation – the opportunity to make a serious difference in the world – resonated with so many people. Our team is just so driven by the fact that they can be solving complex technology problems but at the same time that can translate into a significant impact in the world.

A: And because we’re backed by Google and Atlassian, we do offer some pretty unique opportunities for developers. For example, our CTO and developers do workshops with some of the heads in Atlassian. Over the next couple of months we’ll be doing a range of workshops with Google along the same lines. So we’re tapping into some of the smartest guys in Atlassian and Google – usually start-ups just don’t get that.

How did Humanitix’s partnership with Atlassian begin?

A: Atlassian is an incredibly generous company. We’re an innovative tech charity and so it was always our dream to team up with someone like Atlassian, not just because they’re such a cool technology company but they have the perfect skill sets to help. When we look to raise capital, as you have to in a not-for-profit, we’ve got to think like a business and what a business needs. It needs smart money that’s going to open doors and share an experience with them, and to us that’s Atlassian’s foundation. We went to them initially just to ask for help technically, but then out of that relationship they saw an investment in Humanitix as potentially also being the best return for their foundation to educate disadvantaged students. Their foundation is trying to solve social problems in education and genuinely thinks we’re one of the highest social returns on invested capital for their foundation, and so that’s the lens that they look at it from.

At what point did you feel you were getting somewhere with Humanitix?

A: We initially said when we get clients signing up and we’ve got no idea where they came from, that will be the moment we are getting there. That happened a while ago.

J: I think the point at which we could say we’ve been successful with Humanitix is when we are a household brand, known as the go-to, no-brainer ticketing option for any event being run, of all shapes and sizes. Because why would you not want to redistribute these billions of booking fees into

educating the most disadvantaged students in the world? That to me would be the point, as at that moment we'd also be redistributing tens, maybe hundreds, of millions of dollars every single year towards these education projects, which is what got us so excited to begin with.

How far down the track can that be?

J: Within three years we'll be at a run rate of more than a million dollars per annum to charity. But with the growth rates that we're experiencing now there's a chance for it to go viral and we could be giving \$10 million a year to charity within five or six years. Being a not-for-profit, our challenge re access to capital is different. In the traditional investment community, if something is going really well investors double down, triple down. In the philanthropic industry, it seems that when something is going well the funders step back, even though at that point it's de-risked and the social return on your capital is much higher.

What made you jump ship from corporate to not-for-profit?

A: For me it was a combination of factors. I think the biggest one was that I wanted to be spending my time on something that hadn't been done before and can somehow make a massive contribution to society. I was struggling in the corporate sphere to recognise that kind of goal.

J: Technology is the biggest driver of change and right now it's dominated by the for-profit industry and the not-for-profit sector is way behind on technology. That's one mindset we can change and that's a big part of it for me. The other part is the economics of Humanitix. The social return on invested capital is potentially higher than anything else we've ever seen. That sense of pioneering, pulling off a tech charity at that scale, is a big factor for me.

What lessons have you learned through your experience?

J: We've been super-sensitive to the fact that because we're disrupting a mature industry, if we take on one event that we seriously can't handle and we blow it up, we're over. In the first 18 months we turned back a few clients because we just knew we weren't ready. And most of that was really around

the tech platform – we just weren't ready, and that was bloody hard to do. Now, with our technology, we feel we can take on any event.

A: I've learned the value of being more open minded to crazy ideas, because crazy ideas are only crazy until they work.

J: One of the other things I've learnt is the value of having a co-founder. I couldn't have done this on my own and I don't think anyone could have. Right from the start the thing we most feared was loneliness, as we were both stepping outside of our stable jobs and lifestyles into a potentially isolated world. We made a pact that we would always look out for each other and that feeling of isolation as it wouldn't be easy. And we have.

Leverage is an important part of your offering isn't it?

J: Yeah, we appeal to philanthropists who really subscribed to the idea of effective altruism – the idea of maximising the social impact from your dollar invested as opposed to emotional giving. How many lives can I save with this dollar, as opposed to what I feel most affiliated with. So, our ability to turn Atlassian's \$1.2 million into tens of millions of dollars to educate the exact child that they're trying to educate anyway.

What do each of you see as your leadership weakness?

J: I can answer this first because I know I've got one that I'm working on. I've always been very in my head. In my past job when I was working as an investment analyst in a hedge fund, my job was to analyse companies. I'd do the research, firm it up in my mind and only then would I talk to anyone about it in my team. That's my style. I like to throw myself into an issue, solve it and pop my head up to tell people what I've solved. That would work fine if I were an employee, but as a co-founder I'm training myself to be more team-orientated in communication.

A: I think for me it's doing a better job to recognise the individual motivations of each person in the team, and having a greater appreciation that their motivations might be similar to my own but are different. I should be engaging and speaking much more towards their individual motivations, why they're a part of this. And working to uncover what those motivations are and then actually genuinely engaging with that day to day.

Who do you look up to as leaders?

A: For me it's my grandpa, Henry, who's 92. He has lived quite a remarkable life as a computer engineer and electrical engineer, and has been a true innovator in technology. At the same time he has been the most incredible family man, loving his wife the way everyone should, giving to his family the way everyone should, and just being such a multifaceted leader.

J: I'm not religious, but there's a guy, Rabbi Sacks, in London who I find quite inspirational. He's a philosopher and a rabbi and he's quite well known, but what I find so impressive about him is his ability to balance religious ideology with general philosophy to explore ideas. I find that inspiring because often leaders are one-dimensional.

eales@eales.com.au