



# THE BILLIONAIRE BOYS

Scott (left) wears navy wool jacket, \$2000, by Dior Homme; navy pleated T-shirt, \$390, by Givenchy Homme; multipocket Polo Sported jeans, \$250, by APC. Mike wears black wool blend jacket, \$2299, by Hugo Boss; black cotton "Pilot" jumper, \$340, and black cotton "Vox" jeans, \$380, both by Acne Studios

This is the greatest Australian success story you (likely) know little about – a story that begins when a Sydney university graduate, bored by his part-time IT job, says, “Fuck, I don’t want to be working with average people doing boring things.” He teams up with a former classmate, and funded by a \$10,000 credit card, starts Atlassian – a software company recently valued at \$8bn and which is now an integral cog in Australia’s bid to become a globally-respected tech player.

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# IT'S BEEN A WHILE SINCE WE SAW A UNICORN. THIRTY OR SO YEARS, IN FACT.

That vision came early one morning, a Saturday, over some dippy eggs and soldiers. A splendid white beast with flowing brown mane, it was ridden to full power by a part-time princess: She-Ra.

Cut to now – tumbling to the bottom of Sydney's Martin Place, across George Street and into a 1920s building of marble and banking. It's here that Australia's most celebrated unicorns live – their lair on the sixth floor of the historical site, above the tarted-up bank branch and beyond the federal Department of Industry, Innovation and Science.

That there was once a shooting range on the building's roof (for bank employees to practise their aim in hours of leisure) prompts a smirk on entering the three-storey set-up – foam, orange-tipped Nerf gun pellets wedged into the folds of a welcoming blue-fabric couch. The presence of these 'bullets' speaks of an office of youthful play, of creativity.

It's a theme that continues as we wander past the free staff bar, Charlie's (four local

taps, inclusive of a niche cider), ping pong table and poolroom. The latter's as lifted from an undergrad share house – the central, green-felt table surrounded by a standard selection of battered couches, complemented by a random mix of *objets*; random, except that on closer inspection, the 12 bobble-headed dolls sitting pride of place are miniature, nodding interpretations of key company employees, including the unicorns we've come here to meet.

Into another lift – the place is labyrinthine – and we arrive at an airy main hub smacked by natural light. A nearby white wall has 'Smiply' written large across its length.

It's a word (albeit twisted into an adjective and correctly spelt) we'd use to describe the sartorial approach of the workers in view – most sporting an unofficial uniform that doesn't go far beyond boot-cut jeans or shorts, paired with blue/white company logo T-shirts. Shoes, it seems, are optional.

Men dominate the space – generally wiry, often bearded.



Think Richard D James, minus the niche sense of cool, memorable lino and arse-shaking of Aphex Twin's defining 'Windowlicker' video. The air they work in is heavy with the tinny heat of the many machines, lightly spiced with a scent often found clinging to passionate, all-night gamers.

It's at this point we first sight our unicorns – two Sydneysiders, each sliding towards their forties – who late last year became Australia's greatest ever start-up success story.

It was in 2002 that university mates Mike Cannon-Brookes and Scott Farquhar founded Atlassian. That they did so with a \$10,000 credit card is now tech folklore.

Scott (left) wears black cotton 'Bovary Open Mouth' sweatshirt, \$160, by Saturdays NYC; navy jersey T-shirt, \$390, by Giorgio Armani; indigo cotton 'Pett Standard' jeans, \$250, by APC. Mike (right) wears olive wool/angora felt coat, \$2995, by Bally; grey cotton 'Ditch Explanation Slush' jumper, \$170, by Saturdays NYC; black cotton 'Van' jeans, \$380, Aene Studios; laptop, Mike's own.

**FOUNDERS MIKE CANNON-BROOKES AND SCOTT FARQUHAR MET AT UNIVERSITY IN SYDNEY.**



Today, those same two guys are worth a billion-plus each; Atlassian is valued at more than \$7bn and the company's suite of software products is used by more than 50,000 global customers, from companies including Facebook, NASA – yes, that NASA – Twitter, Tesla, eBay, Amazon, Cochlear, Virgin Media, Audi, CISCO, LinkedIn, Skyscanner... seriously, we could be here a while.

The bulk of the company's 1500 employees work out of Sydney with a few hundred spread across global offices – namely a lavish, San Francisco site, one in Austin, Texas, London and smaller spaces in Manila and Amsterdam.

In tech terms, Mike and Scott,

well, Atlassian, is what's known as a unicorn – a start-up valued at US\$1bn or more. Once little more than a desirable tech myth, there's now a growing list of largely disruptive global players – Uber, Airbnb, Snapchat, SpaceX – company that, again, highlights the achievement and positioning of this homegrown outfit.

For all the money and success, the tale of Cannon-Brookes and Farquhar runs well beyond the fact they've built a business that rests on an equal financial footing to Qantas, worth a slice more than James Packer's Crown Resorts and which easily eclipses 'Twiggy' Forrest's Fortescue and Coca-Cola Amatil.

The simple fact they've achieved so much, from

Australia, adds to a larger discussion about what can be achieved by the local sector; about the glaring necessity for the country to reposition itself as a viable, globally recognised and attractive tech player.

In a time of federal political chat that, when not dominated by what Peta and Tony may or may not have done with a fork in Canberra, is littered with words like 'innovation' and 'ideas', what Atlassian represents, what these two unassuming men have managed to achieve, is not only inspirational, but very important.

**THEY SET UP ATLIASSIAN IN 2002, FUNDING THE VENTURE WITH \$10,000 TAKEN FROM A CREDIT CARD.**



ike Cannon-Brookes grew up aware of money in Sydney's water-lapped east. His parents' continual travel (father, Michael Cannon-Brookes, set up Citibank here in the '80s), meant a lengthy and lofty primary school commute for the youngster – boarding school in England. He'd return four times a year, accruing Qantas frequent flyer points like few his age, eventually settling into high school at Sydney's prestigious Cranbrook School, where the old boys rollcall features Packers James and Kerry, David Gynnell and Murray Rose, a former Sydney Lord Mayor and Chief Justice of New South Wales.

Cannon-Brookes labels his harbourside education "broad" – a couple of seasons of rugby (he played fullback) sitting alongside regular academic placing towards the top of his year group.

"I'd have been regarded as academic but I wasn't particularly

a hard studier," says Cannon-Brookes, a tall man who looks like you'd imagine a techie called Mike: baseball cap slung low, a soft, bearded jawline, white T-shirt and jeans. Shoes removed, he's sporting a pair of kaleidoscopic socks.

"I'd do just enough to get by," he continues, "and with natural ability, I did pretty well, though I would pick subjects that I enjoyed, so it wasn't such a problem."

He opted for two-unit maths and computing and claimed the school's technical drawing prize "a few times". It suited his proposed future path – eyeing off life as an architect.

Interestingly, poetry was also a "thing".

"Yeah – I liked it, and used to write a bit of it back then. I enjoyed it more than literature, there were fewer words and it was more about meaning so you could make up all sorts of bullshit..."

The recollection sets a smile across the lightly stubbled, lithe face of Farquhar, himself in navy T-shirt and jeans (maroon sneakers, mind). He's perched next to his billionaire buddy in a nondescript glass office that really shouldn't accommodate four (the other, beyond GQ, a PR woman eagerly taking notes – or maybe she's just doodling?).

"You liked it 'cause you have the attention span of a gnat," lobs Farquhar. "That and an ability to bullshit."

The 36-year-old came from Sydney's working-class west. An early interest in computing saw him claim a year-6 technology prize before landing at the selective James Ruse Agricultural public high school. It was geeky (his words) and he continued to dominate a subject list inclusive of maths, English, physics and chemistry.

It was in 1998 that Farquhar and Cannon-Brookes first came together – freshmen in business information technology (BIT) at the University of New South Wales. Each had been offered placement, on scholarship, ahead of completing the Higher Schools Certificate (HSC).



"I certainly did [the course] because it was a \$15,000-a-year tax-free scholarship," says Cannon-Brookes.

"I guess it was a bit of a left turn, but I'd always enjoyed computers... And the course was half commerce, finance and economics and half computer science, tech stuff. So it turned out to be perfect for what we ended up doing – not that we knew it at the time."

BIT meant a tight-knit class of about 40 scholarship students – all of whom quickly became aware of each other, forming friendships under a paternal bond of camaraderie. But it wasn't instantaneous.

"Mike was pretentious," says Farquhar of his first impression of his co-founder, the recollection delivered with a grin and locked gaze.

For Cannon-Brookes, university was fun, and an opportunity to meet people further afield from his cliquish Rose Bay school set.

"All my friends growing up were from the east and, yeah, I liked uni for the fact we mixed with people that you wouldn't have otherwise – it brought together people from different areas, with different attitudes."

As it does for the majority, the relative freedom of

tertiary education meant drinking. A lot.

"The highlight was the harbour cruise," offers Farquhar, reminiscing about his formative party years and tenure as student association president.

"You'd rock up to the bottle shop and say, 'I need \$3000 worth of alcohol please.' It was just ridiculous and involved a particular punch that perhaps wasn't all that sanitary."

He rattles off a brutal measure of boozy ingredients – four litres of cask wine, four litres of orange juice, a bottle of vodka and a bottle of rum.

Tinkering with side projects, rather than too much punch, saw Cannon-Brookes' grade average slip as his attention was diverted from core course study. "I went from a HD in semester one to 52 in my last."

Shortly after, he dropped out – a contentious move given the school couldn't simply replace a scholarship student.

He went on to co-found the technical business, The Bookmark Box, which was sold to *blink.com* in the US. Then came 'shop' work doing "all sorts of random things".

By now, Farquhar was engaged in work placements.

"I was at Sydney Water, in this horrible building on Bathurst Street. It was an IT project [he was a developer] and it was going badly. I remember they'd tell me how to do something one way, and then I'd do it another and get better results. And I was like, 'Fuck, I just don't want to do this when I graduate – I don't want to be working with average people doing boring things.'"

In 2001, Cannon-Brookes fired off an email to a few former classmates – curious to learn if anyone wanted to join him on a new start-up.

'Bored of studying,' read the simple note. 'Atlassian is far more interesting.'

While several BIT students showed initial interest, Farquhar actually pursued it, even though it was the worst ever time to be considering such a move, the tech industry deflated after the dotcom crash; financial backers collectively moonwalking away from the sector.

Still, the pair wanted to work together and for themselves. Atlassian forged ahead.

The early days were as imagined – especially if you watch *Silicon Valley*. The pair remained positive and had fun, though the experience was lined with poverty. And chicken skewers.

THE COMPANY IS BUILT ON FIVE CORE VALUES THAT INCLUDE 'BE THE CHANGE YOU SEEK' AND 'DON'T FUCK THE CUSTOMER'.



"We paid ourselves \$15,000 [across] the first two years – that's 300 bucks a week. Rent was \$125 a week, so that left \$175 a week to live on. I remember three chicken skewers and satay sauce and rice at the local Thai place was \$6."

"And they never wanted to sell us just that – they'd be like, 'And for main?' 'No, that's it', and here's my \$6. In 50-cent coins. Yeah, they were tight times."

Atlassian started out providing customer service on products developed by others. Based in a shared terrace in Sydney's inner city Glebe, behind the then-popular Valhalla Cinema, house parties were often interrupted by overseas phone calls seeking aid in the early hours. The most sober of the pair would take the call at 2/3/4am, talking the client through debugging or why things weren't working.

Their initial ambition, they confirm, didn't run beyond a desire to eventually make \$49,500 a year – the graduate starting salary at PwC (now owned by IBM) at the time, where many of their former BIT classmates ended up.

"They were the biggest recruiters out of the scholarship program... so if we did something and were able to make the same money, then we saw that as a big win," says Cannon-Brookes.

While Atlassian was financially viable from the outset, initial major wins (read: lucrative deals) came from creating their own products. Time in tech support may have forced this hand earlier than anticipated, though they were always creatives and destined to develop.

Targeting fellow developers and project managers with a suite of products that aim to achieve increased, streamlined productivity and communication, Atlassian's first product, the project-tracking tool, JIRA, remains the flagship. Today it's well-supported by Confluence and HipChat, alongside others such as Bamboo, Clover, Crucible, FishEye and Bitbucket.

"We make and sell software products, packaged or sold online, to help people be more creative,"

says Cannon-Brookes. "And we're in a whole lot of different domains and different teams – from technical teams to IT teams to finance teams to HR teams to local teams; helping them in a whole bunch of different ways to make them more productive."

"The first product sold really well – straightaway they had customers giving them money," says Scevak, "but it was really their reaction to that positive information – they doubled down at every stage and [formed] this longer term view of [Atlassian] producing multiple products, not just one."

It's an approach that bucks traditional tech wisdom about concentrating on a single product and sticking to it. "They went against the grain of standard

The company's success is also about doing things differently – a point furthered by former classmate Niki Scevak, himself a tech success with Blackbird Ventures, a company he co-founded which funds local start-ups eyeing off global greatness.

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advice early on," adds Scevak.

What's more, they also rewrote the sales book.

"Usually with enterprise software you never know the price – you have to play a round of golf or have a steak dinner with some guy in a suit. You ask what the price of the software is, then he'll ask what the budget is, and magically, the price of the software matches what's in the budget."

"Mike and Scott said screw it, let's make it really low friction, let's be transparent, make it cheap and accessible and let's sell to the person who uses the software."

"I realise that this mightn't sound like a big thing, but it was absolutely ground-breaking and critical to their success."

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Mike (left) wears olive wool/angora felt coat, \$2995, by Bally; grey cotton 'Ditch Explanation' slash jumper, \$170, by Saturdays NYC; black cotton 'Van' jeans, \$380, Acne Studios. Scott wears black wool-blend black jacket, \$1299, by Hugo Boss; black cotton 'Bovary Open Mouth' t-shirt, \$160, by Saturdays NYC; navy jersey t-shirt, \$390, by Giorgio Armani; indigo cotton 'Petit Standard' jeans, \$250, by APC. Grooming: Gavin Anesbury at Vivien Creative.

IN DECEMBER 2015, ATLASSIAN CLOSED ITS FIRST DAY OF TRADING ON THE NASDAQ VENTURE AT NEARLY \$80M.



**"MIKE AND SCOTT SHOULD BE APPLAUDED FOR THE ACTIVE LEADERSHIP ROLE THEY PLAY IN THE LOCAL TECH SECTOR. THEIR SUCCESS, IS HELPING TO INSPIRE YOUNG ENTREPRENEURS ACROSS THE COUNTRY."**

**MALCOLM TURNBULL**





I

t's December 10 of last year and Cannon-Brookes and Farquhar are riding on a sack of mixed emotion. They're also riding in the back of a stretch limo, belting towards downtown Manhattan after opening on the NASDAQ.

They're content. If tired. After ringing the bell and watching the stock launch, the day was spent in back-to-back media interviews – interest coming from here and abroad.

Lunch meant a 10-minute break and whatever pizza slice was available from a joint across the road.

Still, it was a good day – Cannon-Brookes and Farquhar confirmed billionaires and Atlassian ending the day's trade with a cool \$7.87bn evaluation, well up on forecast.

That said, there remains one small, niggling issue. For all its tacky fluoro lighting and various TV screens, the ridiculous car is lacking one key ingredient – booze.

On sighting a pokey liquor store, Farquhar, familiar with the grog runs of his uni days, instructs the driver to pull over. He heads from the car and asks the bloke behind the counter for his most expensive bottle of champagne. On eyeing it, he decides to ask for the most expensive bottle that's actually cold – a \$30 bottle of non-vintage muck, it turns out.

Consumed, it's on to dinner with family and the dozen staff – most instant millionaires – they flew in for the float.

"Look, the IPO [Initial Public Offering] hasn't changed

anything about the company, though it's obviously big for some employees; those people who've been here 10 years realised some of the value they've created," offers Cannon-Brookes, adding that he likes reading various staff letters he's received, thanking him and Farquhar for allowing them to pay off the mortgage or "have my wife stop work and pursue her art, that kind of thing".

While the pair's sloppy attire may, in fact, sport internal labels from Ermenegildo Zegna and Hugo Boss, and Cannon-Brookes last year dropped \$12m on a sprawling, inner-Sydney pile, what they've been working towards has never been about money. And it never will be.

Most billionaires love the sound of their own voice, openly rate their opinion and eagerly splash about in the personal praise thrown their way. This is not Cannon-Brookes and Farquhar. Instead, they enjoy reinvesting in the sector – tens of millions between them – raising their families (three young kids apiece), donating money and time to charitable pursuits and hanging with other two-dude start-ups trying to get ahead. This is the world in which they're comfortable – it's why you don't know their story, and why, today, they remain curious, cautious even, about allowing the 'outside' world in.

"They may live in nice houses and have some nice things, but not to the extent of others," says Scevak. "They've always lived non-billionaire lives – wealth hasn't affected them. And their real ambition is to build Australia's largest company, to build one of the world's greatest companies – something that survives them and which is around for hundreds of years. It's why they've turned down lots of acquisition offers."

The word 'inspiration' is also bandied about quite a bit.

"I certainly think that's the best thing they've done – to create this inspiring story for others, to raise their ambition, to try different things, to forge their own paths,

all with the knowledge that it's completely possible to be done from Australia, because these other two blokes have done it. Also, start-up communities are a function of how many lighthouse companies there are – because lighthouses like Atlassian provide the inspiration for more people to start companies like it; provide the journey that hundreds or thousands of employees go on."

It's sentiment backed by the Prime Minister, Malcolm Turnbull telling GQ: "Mike and Scott should also be applauded for the active leadership role they play in the local tech sector. Their success, combined with their passion and advocacy for Australian start-ups, is helping to inspire young entrepreneurs across the country."

Beyond influence and inspiration sits investment – central to the PM's desire to drive a new techno-train that reroutes current economic maps, pulling away from 'traditional' sectors in favour of a viable future market that's only going to continue to grow.

"I think people still think of technology as this little corner of the world of nerds in a backroom tapping away," offers Scevak. "Whereas Apple's now the world's largest company."

In fact, by market share, three of the top five and four of the top 10 global companies are in technology.

"As a nation we have to be involved in that," states Cannon-Brookes. "Think about it – the majority of jobs are going to be involved in some form of technology in 20-25 years time, and if we're not creating that technology in Australia, or creating some portion of it, we're going to be buying it from overseas and it'll have a bad flow-on effects for our economy. We have to innovate and be creative."

So Australia as a recognised, future tech hub is feasible?

"There are huge opportunities for tech, biotech, infotech – though I'm not sure which one will work out," says Farquhar. "But one of the biggest problems we have at the moment is that we generate a lot of companies but

then they gravitate overseas for a variety of factors – some we can fix easily, some will take time."

Both Turnbull and Cannon-Brookes believe Australia has the resources, the latter adding that they now need to be given greater opportunity.

"Talent-wise we have great universities, we're just not quite orienting them – encouraging people and showing where they can make business in this space. If those two start coming together, there's no reason we shouldn't be able to have a vibrant technology industry – and I suppose that's what the goal is."

Conversation meanders into whether the pair ever steps back, to look upon what they've been able to achieve.

"Sometimes we don't realise just how far we've come, because your journey is different to everyone's perception of that journey," says Cannon-Brookes. He details a "company picnic" for family and friends – that is, a 3000-strong gathering filling a festival site in Sydney's Centennial Park, stacked with rides and amusements that showed up Luna Park for its age.

"You look around and are like, 'Fuck, there's a lot of people here.' I mean, day-to-day it doesn't feel like there's a thousand people in this building; day-to-day you just do what you do and we get bigger and better and are trying to constantly improve. But there are moments where it strikes you a little bit more."

To look down on what they've done also pushes towards another word regularly offered in relation to the pair – Gods. That these unassuming men were able to turn \$10,000 into \$8bn, in little over a decade, is indeed a parable of arguably celestial proportions (dare we suggest close to a man who can turn water to wine), though how does such sit with them?

"If you believe that stuff, it gets in the way of making a difference," says Farquhar. "If you think you've already made a difference then you may as well pack up and go home. Personally, I think we're just getting started." ■