

## Focus on Bluedot potential pays off

By Fran Foo - 13 January 2015

*A DOGGED determination and the sheer desire to succeed drove Filip Eldic and Emil Davityan back to the drawing board — albeit reluctantly — when told their technology start-up was destined for failure.*

Today, Bluedot Innovation can boast of new funding to the tune of \$2.5 million, with the total funds raised passing the \$3.5m mark.

The latest round values Bluedot at \$11.5m — and a small way to becoming a \$1 billion company.

Mr Eldic and Mr Davityan formed Bluedot Innovation in 2012 with the aim of creating a mobile platform to collect tolls.

After being drafted into the ANZ Innovyz Start accelerator program for start-ups, the duo were told their idea was “impossible to pull off”, Mr Eldic recalled.

“That was very difficult to hear as a young company. But it was probably the best thing for us,” Mr Eldic said, adding that their mentor at Innovyz Start, a Microsoft executive, did not mince his words.

It opened the duo’s eyes to “fundamental problems” with their proposition, such as the drain on battery life while using location-based services, Mr Eldic said.

It was a challenging period since the start-up had only been around for a month, he said.

But it was his mother’s sage advice that pushed Mr Eldic and his business partner to greater heights.

“Smart people don’t succeed; persistent people succeed. She used to tell me that when I was in university,” he said.

Bluedot rejigged its offerings and developed technology that allows businesses to create location-based apps at low cost while preserving battery life.

That platform, used by about 200 customers, recently attracted the attention of US-based entrepreneur and investor Jeffrey Katz, who sunk just under \$2.2m into Bluedot.

Mr Katz's Mercury Payment Systems was acquired for about \$US1.65 billion by payment processing firm Vantiv last year.

Bluedot was introduced to Mr Katz by Jana Matthews, now the chair of University of South Australia's business growth centre.

In a prepared statement, Mr Katz said he was "blown away by the huge potential" of Bluedot's technology and impressed with the team's ability to execute its strategy.

Professor Matthews used to run Innovyz Start in Adelaide and previously told The Australian that Bluedot could one day become a \$1bn company.

She said both co-founders were "very smart and impressive", and were able to differentiate between ego and drive when they had to change their business plans.

Professor Matthews said that when Bluedot applied for the Innovyz Start program, Mr Eldic said he would "stop everything and focus on the start-up".

"He was getting a double degree and said he would do nothing but focus on the company ... and he has," she said.

Mr Eldic has since completed his degree in politics, with one semester left for economics.

Professor Matthews recalled that they "looked ashen" when first told their idea was unlikely to succeed, but locked themselves in a room for an entire weekend to rework their business.

"They're also very frugal and we celebrated the news of their (new) funding by going to breakfast. There was no popping of champagne," Professor Matthews said.

Mr Eldic said the funds would be used to recruit sales and marketing staff to bolster its San Francisco office and hire technical experts for its Melbourne headquarters.

Bluedot also counts David Jaques, founding chief financial officer at PayPal, as an early investor and company director.

Mr Eldic said Bluedot “hopes to become a billion-dollar company” in time, but acknowledged that the road ahead was long and challenging.

“To succeed, we can’t be a one-trick pony. We have to keep pushing out new solutions,” he said.