

# a flip side



There's a valuable market in internet real estate as investors seek websites to renovate, writes **Samantha Amjadali**.

**A**SK some of Australia's best-known entrepreneurs for tips on earning extra cash and they are likely to tell you to get flipped. Don't be offended. It is sound

advice because "flipping" — buying rundown websites, sprucing them up then selling at a profit — is, apparently, where it's at. It is the digital equivalent of renovating a house before putting it back on the market at a

higher price, only without the back-breaking labour, dust mite-infested carpets and massive cash outlays. "Unlike flipping real estate, it's easy to add value to websites," Melbourne flipper David

Jenyns says. "To add value to real estate, you must do something significant, labour-intensive and, usually, expensive, like building a new bathroom. "But with websites, you can make small changes such as

building links from other sites or improving the overall look for little cost. "That result can be a significant increase in value." Jenyns, the owner of

# Hits from a flip side

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MelbourneSEO services.com, has made hundreds of thousands of dollars online through flipping and "domaining", buying keyword-rich domains, stuffing them with content suited to search engine optimization (SEO) and selling at a profit. Among his success stories is forextradingstrategies.org, which he bought for \$10 and sold for \$10,000 after spending \$100 to have SEO-friendly articles written for the site.

The Jenyns domaining repertoire includes wrestlimgmoves.org, which was sold for \$2000; WoodWorkingProjects.org (\$1495) and fireplace-design.org (\$997). He paid \$10 for each domain and about \$150 to set up the accompanying websites. "Flipping offers the lowest barrier to entry compared with virtually any other business out there," says Jenyns, who in 2001, aged 19, made a name for himself — and \$70,000 — selling pieces of the old Ponsford stand from the MCG as memorabilia. "You only need to be able to see the diamond in the rough and have a plan of how to unveil it," he says.

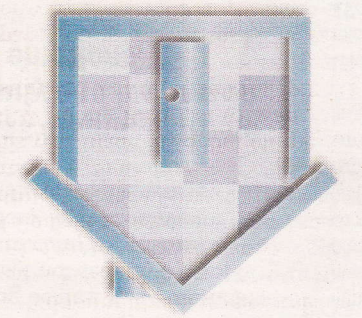
"Even if you haven't got the technical know-how, you can hire a freelancer from any freelancing site, who can make it happen." Award-winning Australian entrepreneur Matt Barrie, one of Australia's brightest digital stars, runs such a site, [freelancer.com](http://freelancer.com), a source of freelancers for the digital projects needed by flip-pers, such as logo design, website programming and Facebook app development.

ple making money, either by selling their services or hiring them, is diverse, from programmers and graphic designers to, last week, a scientist in the jungles of Africa needing a poster designed to extol the virtues of saving a rare breed of hippopotamus. In fact, many of Barrie's [freelancer.com](http://freelancer.com) staff of more than 100 come from the site, a situation he says represents a "seismic shift in the world's labour markets". "It's never been easier to start a business and it's never been

## You only need to see the diamond in the rough.

DAVID JENYNS

Freelancer.com is one of the biggest flips of all time. When Barrie bought the site in 2009, at the time called [getfreelancer.com](http://getfreelancer.com), it looked, in his words, "grey, utilitarian and horrible, like a high-tech Ukrainian prison". Nearly three years later, sporting a revamped interface and new name, it has signed up more than 2.8 million employers and freelancers and the range of peo-



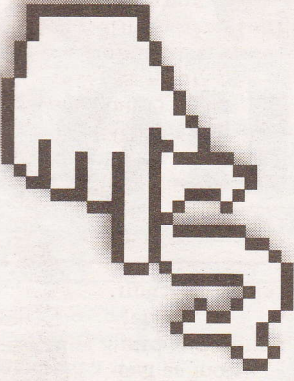
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more cost-effective," says Barrie, whose own flip turned over more than \$US40 million (\$38.6 million) this year and has dispensed about \$100 million since the original site opened in 2004. Barrie came upon the [getfreelancer.com](http://getfreelancer.com) site while building a shop site. Needing 1000 pieces of data entered into a spreadsheet, he was unable to find anyone to do it and reluctantly placed the job on [getfreelancer.com](http://getfreelancer.com).



Flipping success stories Mark Harbottle (above) and Matt Barrie (right) have built careers on ren-



# Flipping resources

## Flippa.com

The world's No. 1 marketplace for digital goods is crammed with more than 100,000 potential sellers of flappable sites and buyers of flipped sites.

## YouTube

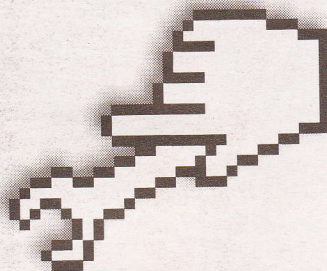
IF THERE'S anything you want to learn about flipping, YouTube is an invaluable teaching tool. Check out Google's Webmaster Channel ([youtube.com/user/GoogleWebmasterHelp](http://youtube.com/user/GoogleWebmasterHelp)) in particular for search engine optimization basics (and some advanced tips, too).

## Google Analytics

SPEND the time to master Google ask one of their 492,000-plus members. See [forums.digitalpoint.com](http://forums.digitalpoint.com).

## Digital Point

A FANTASTIC resource for anything to do with the internet and websites as well as marketing. Among the 15,565,000-plus posts, answers to almost anything you could ask are already there — and if they're not, just ask one of their 492,000-plus members. See [forums.digitalpoint.com](http://forums.digitalpoint.com).



## The site's revenue doubled in 24 hours once we changed the graphics.

MATT BARRIE

the site, tweaked it and made it more friendly to Western users. "The site's revenue doubled in 24 hours once we changed the graphics and, over time, we've incorporated other changes, including rebranding and renaming the old site," he says. And what of arguments about the West exploiting Third World labour, albeit digitally? "A very large portion of the world's population live on \$10 a day or less and now they can jump online and earn in one day what they would earn in a month and why shouldn't they?" Barrie says. "They are just as smart as us, just as motivated and want a job just as much as we do." Barrie cites the example of a young woman in the Philippines who now makes \$400,000 a year turning out logos for businesses and websites around the world. Freelancer.com's top freelancer earns a whop-

ping \$1 million a year creating small \$65-\$100 websites and selling them to businesses that want quick and affordable web presences. Another spectacularly successful flip is Flippa.com, the king of the internet's domain-flipping destinations. The two-year-old Melbourne-based digital marketplace will this month clock up more than \$60 million in website sales and hosts more than 1000 potential buyers and sellers of domains and websites every minute. Though the digital offerings on Flippa range from \$1 domains to six-figure websites, most of

them are flipped websites that sell for less than \$10,000, on average about \$2000 a pop.

Flippa last year hosted the sale of FaceMash.com (\$30,000), Mark Zuckerberg's Facebook predecessor, famously created during his time at Harvard University, as well as Retweet.com, which was sold for \$250,000, and BlogTop-Sites, which went for \$117,000 in April last year.

Flippa may now be the world's biggest website marketplace but it, too, started as a flip.

"I'd found this little site, called webmaster-resources.com, run by a guy named Matt Mickiewicz out of Canada," says co-founder and former Sausage Software programmer Mark Harbottle, who this year made his debut on the BRW Young Rich List with an estimated wealth of \$40 million. "I was buying advertising space on his website for some software I was selling and, eventually, he asked me if I could help him with the site's promotion and marketing."

Despite a \$500,000 offer of sale from a third party, Mickiewicz, then a 16-year-old working from his bedroom, decided to partner Harbottle and the duo spent the next year rebuilding and rebranding as [sitepoint.com](http://sitepoint.com), which quickly became a popular place to sell websites, particularly flipped ones.

After achieving several years of 150 per cent growth, the pair still living in different hemispheres, decided to spin out the website sales arm into Flippa.com. Today, Flippa.com and its three allied websites (99designs, [sitepoint.com](http://sitepoint.com) and [learnable.com](http://learnable.com)) employ 110 people on three continents and hosted about 20,000 website sales last year. "I had no idea if it was going to be three months or three years when I started but today I get to do what I love and this whole experience has allowed me to do lots of cool stuff, especially helping others with great ideas," Harbottle says. "And it all started with a \$400 investment in a little Canadian website."

## six tips

- 1 Unless you just want a pretty site or to bulk up your digital portfolio, don't just buy a site simply because you like it. Be sure to take the trouble to do your due diligence before handing over any cash and find out if it is capable of turning a profit. Check the site's Alexa ranking, look at the revenue and potential revenue, as well as what technology your site is built from. If it's in an obscure language and you won't be able to find people to code it, there's little point.
- 2 Go for premium domains. You can always fix the content but if the domain is worthless or irrelevant, you'll have to work doubly hard. Domains that contain natural keywords are best.
- 3 Look into the quality of the user base, how many users (and how many of them are active), where they're coming from and how they are being acquired.
- 4 Pay for quality content to be written for your site (if you can't do it yourself). You can then use these articles to post to other sites in exchange for links to your site. This will markedly increase the SEO on your new site.
- 5 Be sure to ask the seller all your questions before sending the money: what is included (all the code, original, editable graphics) and what is not included (installation, changes); will you be selling this site or a site like it again; why are you selling; is the content unique to the site or created specifically for the site?; how much ongoing support will the seller supply?
- 6 Start small. There's a lot to learn and you won't be able to learn it through just reading about it. Buy a small website with as little as \$50-\$100 and learn about what works and what doesn't. Experience the buying and selling of a site, what is involved, what you get and what you didn't.