

Handcrafted founder Fred Kimel's journey from Macquarie Bank to the maker movement

When Fred Kimel quit his job at Macquarie Bank in 2013 to found a start-up, he had a two-year-old daughter, and a second baby on the way.

“People thought I was crazy and I suspect many still do,” says Kimel. “But my wife is incredibly supportive and that’s pretty fundamental – if you’ve got a young family it’s probably essential if it’s going to work. Balancing my personal life with business is a challenge, so part of me wishes I’d embarked on this journey a little earlier, but equally there’s something really rewarding about doing something that I’m really passionate about and is creative, so I feel like I’m in a really good space.”

The business, called Handcrafted, is an online marketplace along the lines of Freelancer or oDesk but to connect craftspeople with customers. Sydney Seed Fund, led by Garry Visontay, Benjamin Chong and Ari Klinger, has just invested \$100,000 in the business, allowing Kimel to draw a small wage for the first time.

Taking the risk

Until now Kimel had funded the business – and all of his family’s living expenses since his wife is still home full time with the children – through savings and debt. The family has also delayed the prospect of home ownership to pursue the entrepreneurial dream.

“I’m in the fortunate position that I was able to save a bit, working at Macquarie, so I’ve been able to fund it to this point,” Kimel says. “It’s less about what I put into the business and more about the actual cost of living over a period of time where there was no income. Without giving exact numbers, supporting myself and my family over a year is not insignificant. It’s something I’ve been planning and thinking about for a long time so we took a deliberate decision not to take a mortgage out so that I could have the flexibility of doing this.”

Tapping into the ‘maker movement’

Kimel launched Handcrafted in February 2014 and has facilitated \$100,000 worth of trade since then. He has started with woodwork, mostly furniture, in Australia, but wants to expand to other crafts such as metalwork and leatherwork within the next six months and to expand overseas as soon as practicable.



Nathan Grey, one of the makers on the Handcrafted platform.

The premise of Handcrafted taps into the cultural phenomenon of the “maker movement” and shares in common with the local food movement a desire for greater insight into provenance.

“The maker movement is associated with an increasing demand for personalised products and there’s a greater shift towards smaller-scale production,” Kimel says. “There’s a lot of focus on the high-tech end of the maker movement but Etsy is part of it too and there’s an increased appreciation of traditional craftsmanship.”

Etsy, a marketplace for handmade arts and crafts, had \$US1.35 billion (\$1.63 billion) turnover in 2013, up from \$US895 million the year before. Kimel says Handcrafted taps into the same consumer impulse to buy quality, handmade goods with a story, but has a business model and workflow more suited to custom work and bigger projects. Handcrafted’s average transaction size is \$2000, while Etsy’s is \$US25.

The hunt for investors

Kimel is hoping to secure another \$50,000 from other investors before closing out the round. A search on the Australian Securities and Investment Commission shows that prior to the funding round, he and his wife owned 85 per cent of the company, with the rest of the shares held by a departed co-founder and two technologists who built the platform with sweat equity as part of

their compensation.

He is also seeking a business partner with experience in marketing and community building, to complement his business skills. His job at Macquarie was as a senior product manager, a business rather than a technology role.

Kimel has found the Sydney start-up community is “very open and collaborative” and he has noticed that companies are becoming more so as well, as they try to learn from start-ups.

“I’ve been attending meet-ups, often contacting founders of other businesses and everyone’s been very generous with their time and sharing their lessons learned,” Kimel says. “I was based out of Tankstream Labs and used to sit five metres away from Ari Klinger from Sydney Seed Fund, and we’d have a chat every now and again so [the investment came] via that introduction.”

By Caitlin Fitzsimmons