

From Amazon Anxiety to A\$1B+ Online.

In 2017, Christian Gammill, Niel Rafer and James Saretta ran a 90-day engagement at JB Hi-Fi to out-manoeuvre Amazon's Australian launch. What they actually specified — actionable customer data, an API-native architecture, and merchant independence from the platforms that would become AI gatekeepers — turned out to be the stack the AI era now runs on. It anchors A\$1B+ in online revenue at JB Hi-Fi today and still underwrites how the three work together across NXP, Cloudera / Everything Machines, and JB Hi-Fi.

5x

online revenue growth
A\$200M to A\$1B+

3x

online share of sales
5% to 15% of JB Hi-Fi

+50%

online sales revenue
in New Zealand

Source: Shopify, Scaling from \$200M to \$1B: How JB Hi-Fi is winning online retail with Shopify.

Christian Gammill

Co-founder, NXP

Niel Rafer

Cloudera · Everything Machines

James Saretta

JB Hi-Fi · NXP advisor

Source artifacts: Merchant Independence Proposal (Jan 2017) • e-Commerce Platform Diligence Memo (Jul 2017) • Shopify JB Hi-Fi case study

THE SITUATION

A 200-store incumbent, staring down a data + ML flywheel named Amazon.

In late 2016 and early 2017, Amazon's imminent Australian launch was the single most destabilising variable in local retail. But Amazon wasn't just a retail threat — it was a data and machine-learning flywheel with a storefront attached. The right response had to be AI-compatible by design: actionable customer data at the centre, APIs instead of monoliths, and a platform posture that didn't hand the future to whoever won the algorithm war. JB Hi-Fi's catalogue-era digital stack was not going to carry it through.

James Saretta, leading digital at JB Hi-Fi, had been in a running conversation with Christian Gammill and Niel Rafer about that exact problem. Gammill and Rafer had spent the prior several years embedded in the Silicon Valley e-commerce ecosystem — through Technicolor Ventures, Mashery (sold to Intel for ~\$200M), and early-stage investments in companies like KitCRM (later acquired by Shopify). James brought the inside-the-retailer view: operating a 200-store, category-defining business whose digital stack had to carry it through the platform war that was coming.

The questions that mattered — AI-ready, in hindsight

- How do we build a moat against a data/ML flywheel — and ensure that if Australian share is lost, it doesn't come from us?
- How do we put actionable customer data at the centre, across online, store and POS — the one asset that ML-era retail actually monetises?
- What does the right mobile experience look like — extension of the catalogue site, or a clean, API-fed replacement ready for algorithmic merchandising?
- Which ecosystem partners (Facebook, Google, Criteo, emerging ML tooling) are real force multipliers — and which are future gatekeepers we shouldn't hand the keys to?
- How do 200 physical stores get digitally unified into a single first-party customer graph — the training data, not the training set?

“Complacency is the enemy. If market share is lost to these new e-commerce entrants, it doesn't come from JB Hi-Fi.”

— Merchant Independence Proposal, January 17, 2017

THE ENGAGEMENT

A 90-day, three-track plan — and, in hindsight, an AI-ready foundation.

The Merchant Independence Proposal, signed January 17, 2017, scoped a tightly-run engagement designed to support a competitive Christmas 2017 and set the platform foundation for the decade to come. It also served as the crucible where three vantage points — venture investor, platform-native operator and in-house retail leader — fused into a single working point of view. Read today, the three tracks are a straightforward AI-readiness plan: know the ecosystem, own the data, live in an API-native platform. Strategy and execution ran in parallel from day one.

1

Strategic Response

Competitive-landscape assessment using Cludery's "6 Columns of e-commerce" framework; explicit mapping of Amazon threat vectors (supply chain, last mile, UX, household wallet share); a "play by Amazon's rules" playbook.

Analysis deck
+ content for paper
(Feb)

2

Ecosystem Analysis & Mapping

Put JB Hi-Fi at the centre, and mapped customer acquisition, data/AI, CRM, supply chain & logistics, catalogue & offerings, and omnichannel CX — with named vendors and partnership paths for each.

Visual relationship
map + vendor lists
(Mar)

3

Mobile Enterprise Definition

Product definition for a mobile UX that could ship with minimal IT integration in 2017: FB paid acquisition, ML front end, pickup/delivery, returns, price match/haggle, receipt upsell, CRM outreach, POS/beacon, Mandarin support.

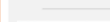
Product definition
+ mockups (Apr)

Underpinning all three tracks: a focus on actionable data — emails and mobile numbers tied to browsing, store visits and purchases — and deliberate alignment with the parallel internal initiatives James was already running, including the data lake and API architecture work. These are the same primitives that every modern AI-commerce stack is still being built on: a first-party customer graph and an API-addressable platform.

THE PRESCIENT CALL

The 6 Columns — an AI-readiness scorecard, a decade early.

Track 1 argued that all profitable e-commerce growth was clustering into six competitive stacks. The question was not “build or buy?” — it was which column do you live in? Every row of the framework — data, API, partner ecosystem, extensibility, merchandising surface — is, in hindsight, an AI-readiness criterion. The only open, developer-first, platform-native column for a Western merchant sat under Facebook / Shopify: the one column whose architecture would stay open to whatever came after mobile. That turned out to be AI.

6-Columns of E-commerce						
	e-Commerce First	Mixed Reality & Social	Mixed Reality & Search	China Proprietary	China-mart	Emergent Middle East
Lead Partner						
Mixed Reality	Alexa		snapchat Spectacles		 	
Consumer Acquisition & Data	Amazon Advertising Platform	Facebook Ads API	Google Adwords & Gmail		   	
Shopping Cart	 Mobile App				 	TBD
Fulfillment	Amazon Fulfillment Physical Stores	3 rd Party Apps			 	

* Not yet launched
Cloudey Confidential

Excerpt from the January 17, 2017 Merchant Independence Proposal (Cloudey Confidential). The cart/commerce row under Mixed Reality & Social sits squarely on Shopify — the platform call, made two years before JB Hi-Fi’s go-live, and seven years before “agent commerce” was a conversation.

Six months later, Cloudey returned with a formal platform diligence memo (July 13, 2017) that translated the column call into a vendor recommendation.

Why Shopify, spelled out

	Enterprise	SaaS	Platform
Hosting	On prem	Cloud	Cloud
Model	Annual license	Monthly fee	Transaction-based
Capability build	Custom dev (\$\$\$)	Some apps + dev (\$\$)	App ecosystem + dev (\$)
Scalability	Customer dependent	Vendor managed	Vendor managed
Examples	Episerver, SAP	Salesforce, Demandware	Shopify, Magento
All-in cost	\$\$\$\$\$	\$\$\$	\$\$

Adapted from the Cloudera e-Commerce Platform Diligence Memo, July 2017. The Platform column (highlighted) sat an order of magnitude below traditional enterprise stacks on all-in cost.

THE TRIAD

Three vantage points. One AI-native thesis, drawn up in 2017.

Each of the three brought a distinct, operational vantage on the primitives that would define the AI-era stack — capital into data and infrastructure, API-economy operating experience, and inside-the-retailer customer-data ownership. The combination produced a platform call the market wouldn't reach for another 18–24 months, and an AI-foundations posture the market is only arriving at now.

Christian Gammill

Capital into data & infrastructure primitives

- Co-founder, Technicolor Ventures — top-5 most active corporate venture fund; top-quartile exits.
- Direct investments in LocalID (retail foot traffic) and MileZero (last-mile logistics) — data + infra bets before ML was the fashion.
- Vantage: capital flows into the ecosystem layer — data, infrastructure, catalytic bets — that would go on to become the AI stack.

Niel Rafer

The API economy that AI agents now run on

- Co-founder of Mashery — sold to Intel for ~\$200M; the API & partnering infrastructure for Macy's, Nordstrom, BestBuy, Starbucks, Saks.
- Advisor to ~20 e-commerce software companies; Facebook-acquisition work for Walgreens, General Mills, Zappos, Wayfair, Michael Kors.
- Vantage: if the enterprise is API-native, the models and agents can reach it. If it isn't, they can't. That call was made a decade early.

James Saretta

First-party data — the asset AI monetises

- Running digital at JB Hi-Fi; driving the data lake and API architecture workstreams internally.
- Ground truth on 200-store economics, Australian retail dynamics, and what actually ships in an incumbent.
- Vantage: force the retailer to own its own customer graph, the one asset that every downstream ML/AI system actually monetises.

Data + API + independence. The AI-native stack, drawn up in 2017. First of many joint calls.

FROM FOUNDATION TO OUTCOME

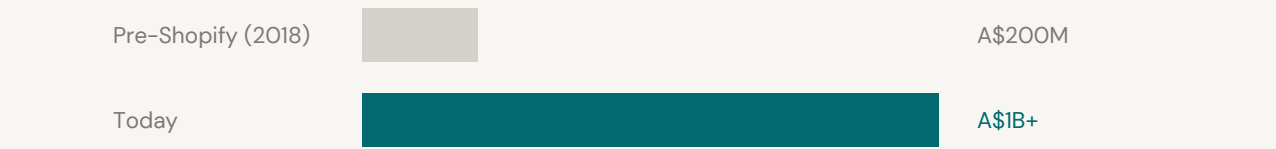
Seven years. One AI-ready foundation. Five-x the online business.

The 2017 engagement didn't ship the \$1B. JB Hi-Fi's team, Shopify's platform, COVID-era consumer behaviour and years of execution did. But the foundations — the API-native platform choice, the first-party data lake, the partner-led moat, the actionable-customer-data thesis — were laid down by James, Christian and Niel in the first half of 2017. Every step that followed built on that base. Every primitive that the AI-commerce stack now demands was already specified there.

When	Milestone	What happened
Jan 2017	Merchant Independence Proposal	Framed Amazon's impending Australian entry; introduced the 6 Columns of e-commerce; scoped a 90-day engagement across strategy, ecosystem mapping, and mobile product definition.
Feb–Apr 2017	Three-Track Engagement	Track 1 strategic response, Track 2 JB Hi-Fi ecosystem map (customer acquisition, data, CRM, supply chain, catalogue, CX), Track 3 mobile enterprise definition.
Jul 2017	e-Commerce Platform Diligence Memo	Formal recommendation of Shopify Plus over legacy enterprise and SaaS options, grounded in cost, UX, API architecture and partner readiness. Gammill & Rafer's KitCRM portfolio company had already been acquired by Shopify.
2019	Shopify Plus Go-Live	JB Hi-Fi implemented the recommended platform. Best-ever Black Friday / Cyber Monday in year one — nearly 2x the prior year's peak traffic, handled with no drama.
2020–2022	COVID Pivot & Store-to-Door	API-first architecture let JB Hi-Fi ship a 90-minute Uber-delivery service in ~12 weeks. Multi-tenant code base extended to New Zealand with minimal spend.

When	Milestone	What happened
Today	\$1B+ in Annual Online Sales	Online revenue grew from ~A\$200M to A\$1B+ (5x). Online share of total sales moved from 5% to 15%. NZ online revenue up 50% on the shared code base.

The outcome, in Shopify’s own words



Annual online revenue, JB Hi-Fi. Pre-Shopify baseline vs. current. Source: Shopify JB Hi-Fi case study.

“By not having to worry about scale, capacity or performance, we can spend more time enhancing the customer experience and optimising our deal pricing strategy. Shopify is easily our best partner. They challenge us, we challenge them. And our customers get the best result.”

— JB Hi-Fi, as quoted in the Shopify case study

WHERE THE THESIS LIVES NOW

Three companies, one AI-era thesis — the 2017 foundations, compounding.

The JB Hi-Fi work is the origin story. Nine years on, the triad is still active — now across three entities whose agendas all trace back to the primitives made concrete in the 2017 memos: actionable data, API-native platforms, and merchant independence from the platforms that would become AI gatekeepers. Different venue, same thesis, now pointed at AI.

Christian Gammill

Co-founder, NXP (Nextwave X Partners)

NXP — AI & data infrastructure investor

JB Hi-Fi is a live proof point for NXP's AI-era foundational models. NXP backs the data, infrastructure and agent-era companies whose core theses — actionable data, API-native platforms, merchant independence — were prototyped inside the 2017 JB Hi-Fi memos. The 2017 engagement is the template: catalytic capital, ecosystem-inside operators, outcome-measured-in-\$B patience.

Niel Rafer

Co-founder, Everything Machines · Cludery

Everything Machines — brand-owned AI data

The 2017 data-ownership thesis, aimed at AI. Everything Machines builds LLM/AI data caches for brands so they stay addressable by models on their own terms — the direct descendant of the JB Hi-Fi customer-graph work. Independence from Amazon in 2017; independence from AI gatekeepers in 2026. Cludery continues the retail / API / platform advisory work alongside.

James Saretta

JB Hi-Fi · Close advisor to NXP

Enterprise-AI reality check, both ways

The enterprise-AI feedback loop. James is a regular dialogue partner for Gammill and Rafer, and a close advisor to NXP. The exchange runs both ways: the triad helps James keep a clear read on the AI, platform and capital-markets frontier; James grounds the triad — and NXP's AI investment thesis — in the actual enterprise challenges of retail, and Australian retail specifically.

"The primitives we specified for JB Hi-Fi in 2017 — actionable data, API-native platform, merchant independence — are the same primitives the AI stack is being built on today. We've been long AI since before it had a name."

— The triad, 2026

WHAT THIS ENGAGEMENT PROVES

The AI stack has a 2017 origin story.

The JB Hi-Fi engagement is the cleanest worked example of how the triad operates — and, read nine years later, it is a record of AI-era primitives being specified a decade early. Identify the ecosystem inflection, own the data, live in an API-native platform, refuse gatekeeper lock-in. Same four principles today; same three operators; same outcome shape — measured in years and billions, not quarters. We've been long AI since before it had a name.

Data privacy since 2017

Actionable first-party customer data was the centre of the 2017 memo, the asset JB Hi-Fi built its data lake around, and the one asset AI-era retail actually monetises. We called the asset, a decade before the market did.

API-native by design

The Shopify call was an API-native platform call — the only column whose architecture would stay open to what came after mobile. That turned out to be agents. Rafer's API-economy vantage made this obvious in 2017.

Merchant independence to AI-gatekeeper independence

The 2017 thesis: don't hand your business to Amazon. The 2026 thesis, carried forward at Everything Machines and NXP: don't hand your business to the LLM gatekeepers either. Same principle, next platform.

Outcomes measured in years and \$B

The 2017 bet compounded: 5x online revenue, 3x online share of sales, new market (NZ) on the same code base. Early-AI foundations pay out on long clocks. That's a feature of the thesis, not a bug.

SOURCES

1. Merchant Independence Proposal — Prepared for JB Hi-Fi. Gammill & Rafer. January 17, 2017. Confidential.
2. e-Commerce Platform Diligence Memo — Prepared for JB Hi-Fi. Gammill & Rafer. July 13, 2017. Confidential.
3. Shopify. Scaling from \$200M to \$1B: How JB Hi-Fi is winning online retail with Shopify. shopify.com/case-studies/jb-hi-fi
4. Nextwave X Partners (NXP). npx.vc
5. Everything Machines. everythingmachines.com

Draft v3 — narrative reframed as an early-AI-foundations story. 2017 artifacts quoted or paraphrased from the original memos; JB Hi-Fi outcomes per Shopify's published case study; current-entity framing confirmed by the triad.