NO OTHER SUCCESS

HOW A LAWN-MOWING BUSINESS TRANSFORMED THOUSANDS OF LIVES

JIM PENMAN

About Jim's Group

I founded Jim's Mowing in 1982 in Melbourne, Australia. At the time, it was simply a way to provide for my growing family while I pursued a PhD in history. In 1989, I franchised the business. This led to rapid expansion and eventually the addition of various home services beyond mowing. With the addition of these different services, the name Jim's Mowing was changed to Jim's Group.

Today, we offer a wide range of services in more than 40 industries, including cleaning, fencing, plumbing, and handyman work. Jim's Group is the largest franchise chain in the Southern Hemisphere with over 5,000 franchisees, and we operate in several countries. I remain the CEO and am actively involved in day-to-day operations.

Jim's Group Values

Our first priority is the welfare of our franchisees.

We are also passionate about customer service.

We sign only franchisees and franchisors whom we are convinced will succeed.

Our Basic Structure:

FRANCHISEE

Franchisees are the core of our system, dealing directly with clients. They run their own business and handle all quoting, scheduling, and invoicing. They set their own prices and determine their own hours. They range from sole operators to employers with dozens of staff. Our one key requirement is that they provide excellent service to clients.

FRANCHISOR

Franchisors watch over franchisees in a specific region. Their job is to recruit new franchisees, monitor and provide support to them, and handle advertising in their region. I was initially the sole franchisor, but soon took on others to share the load. Most of these were successful franchisees. Some franchisors continue working as franchisees while managing their region.

DIVISIONAL

Divisional franchisors manage divisions such as antennas, cleaning, and pool care. They recruit and support franchisors, arrange divisional training, and run the divisional websites. Jim's Group acts as divisional franchisor for several divisions, including mowing.

The National Franchisor is Jim's Group as a whole and is also often called National Office. National Office provides support, customer service, and assistance to franchisees, franchisors, and divisionals.

The two great pillars of our ethos are service to franchisees and service to clients

Service to franchisees comes first, which is what we spend the most time and effort on, but the two pillars support each other. Franchisees who don't take care of their clients lose work and eventually, if they don't improve, they are asked to leave.

Franchisees who give good service make better money and are more likely to succeed long-term. Good service also supports the brand and makes the phones ring. It is the key reason we are able to keep most franchisees busy year-round, while still charging more than the competition. People use us because they want reliable service and guarantees of outcome. Give them that, and they will come back, and also recommend us to their friends.

One justification for our strict policy on service is our rate of growth, and the fact that in Australia we are about as big as our next 15 competitors combined. But there is another factor. Litigation by franchisees is one of the greatest dangers and heaviest burdens a franchise system can face. By putting franchisees first, we keep ourselves and our franchisors out of court.

Introduction: An Unlikely Success

As CEO of the largest home-service franchise in Australia, one of my practices is to phone my franchisees on the major anniversaries of when they started their business. Quite often, I'll ask them what they were doing in their previous life. I will always remember one response in particular.

This franchisee had been a supermarket manager. He worked long hours and was highly successful, but he saw little of his children. He left home first thing in the morning and usually got back late at night. One morning as he was leaving, his four-year-old son said, “Daddy, I wish you could have breakfast with us.”

The man drove to work with tears streaming down his face. He realized that no amount of money could make up for the fact that he was seeing almost nothing of his son. Not long after, he quit his job and bought a lawn-mowing business. I'd like to say that he has earned a better income since then, but he told me that in reality, his pay is very similar. But for him, the key difference is that he has been able to see his son growing up. I asked him whether he has ever thanked his son, who is now 14, for making that plea. He told me, “All the time.”

I'm an unlikely person to build a successful business.

For a start, I often struggle with the temptation to spend hours or even days reading, playing video games, or doing anything but productive work. Any achievement requires relentless self-discipline, and I must constantly bring purpose and meaning to my mind. I'm also a poor manager—not well-organized, not good at sticking to systems, and with very little head for accounts.

I have no formal business training and have never done a business plan or written a proper mission statement. I have never been able to create or stick to budgets. To be honest, I find most business texts difficult, if not impossible to follow.

On top of that, I'm socially inept, I hate crowds, and I have no capacity for small talk. I don't read people well and can badly offend or upset them without meaning to. I easily get angry and impatient and have to try hard to control my temper. I've been divorced three times, and I don't blame anyone for finding me impossible to live with.

I struggle to remember names, and I also have a rare condition that makes it hard to remember faces. This might not matter so much to a computer programmer or engineer, but my business is one that entirely depends on relating to people.

So, how did I come to run Australia's largest franchise system, with more than 40 divisions and 5,000 franchisees in three countries? This book is the story of that journey. It's a messy story full of dumb mistakes, blind alleys, and family and financial crises. I hope you'll get a sense of how and why this business works, with clues for how to make any business better—and also, I hope, how to make life better.

I didn't start my company to get rich. I started it to fund a research institute based on the ideas developed in my PhD thesis that, in short, discusses the development of an innovative treatment. This treatment would help individuals overcome problems such as addiction and depression, thus helping societies become more stable and prosperous.

My life's purpose is further expressed in family.

One of the greatest contributions anyone can make is to rear children who go on to live joyful and meaningful lives.

I have ten children, of whom I am very proud. I have made it a key principle never to let the search for wealth crowd out the time I spend with them. Even today, I drive my youngest son to school each morning.

I also find a sense of purpose in my business. Being responsible for the welfare of more than 5,000 families is a heavy responsibility. This in turn means a never-ending drive for better customer service, which is the best way to help my franchisees succeed. Even as a lawn-mowing contractor, I aimed for a quality of work far beyond what my customers expected. These days, though we service more than a million customers a year, I still personally engage with customer complaints on a daily basis. We receive only a fraction of the complaints we saw in pre-franchise days, but I am driven to see even fewer.

An even stronger motivation for me is to provide excellent service to my franchisees. My aim is for all of them to be not just satisfied, but delighted. It hardly needs saying that this is the goal, not the reality. I regularly deal with those who aren't happy. Sometimes they fail, and that's hard to take. But the aim is always to do better. I deliberately seek feedback by giving every franchisee my direct phone number and email address. I respond within hours, if not minutes. Each contact is an opportunity to help or to see how we can improve.

My franchisees often find our focus on customer service extreme, but I point out that great service helps the brand and keeps the leads rolling in. It's especially helpful to the individual franchisee. Those who give the best customer service are more likely to stay with the company and to report good income. By every measure, including attrition rates and the proportion of franchisees reporting “good” income, we’ve shown continual improvement.

I’ve made it clear that I will never sell Jim’s.

I’ve seen what happens when a big company takes over a brand and double-crosses the franchisees in pursuit of short-term profit. I’m actively canvassing my children and their partners in search of leaders with the ability and ethics to carry it on. Having said that, I’m in perfect health and likely to live another 20 years (I’m 72 now) and unlikely to ever retire.

I love what I do—I look forward to every day and find meaning and purpose in it. I often say that business is like a vast video game with endless new levels and “bosses” (problems) to overcome. And you get paid for playing it! What could be better than that?

A key principle of my life is that success cannot be measured by money alone. Family matters, community matters, and a sense of purpose matters. One of my favorite sayings is “No other success can compensate for failure in the home.” Financial success matters, but so does success at rearing children to be decent, productive human beings.

That is why I chose this saying for the title of my book—because just making money is not enough.

I hope that as you read my story, you’ll be inspired to pursue your own dreams and that you’ll see the power in pushing forward even when things become difficult. I began with an investment of $24.00 and a whole lot of tenacity.

It turns out that was all I needed.

Chapter 1: Humble Beginnings

I was born David James Penman, the second of four siblings—with one older sister, one younger brother, and a younger sister. On leaving school I took a gap year, part of which was spent on a farm in Western Australia. The man I worked for had a son, also named David, so I said, “Call me Jim.” It was a break with childhood and also somehow a bit more rugged, more kindred to the outdoors, and more Australian. Jim is a man with calloused hands and dirt under his fingernails, which is still true for me today.

1953

My father was an engineer and my mother a schoolteacher. My ancestors first arrived in Australia in the 1830s. I have boring Anglo-Scottish ancestry—regrettably, no convicts or Aboriginal people in my family tree!

My mother was intensely loving and supportive, though anxious and bad-tempered at times. I was very close to her when young. She wrote and illustrated a book just for me called *David and the Dinosaurs* because I was crazy about dinosaurs. As a teenager I would come home from school and have long conversations with her in the kitchen. She was a full-time mother to my siblings and me when we were young, then she later went back to being a schoolteacher.

She always believed in me, even when there were no obvious signs I would be successful!

My father was strong-willed, principled, and somewhat fierce. We clashed a lot in my teenage years. At one time during that period, I didn't speak to him for six months. But I admired his principles, his focus, and his intellectual interests. He was an engineer—first a university lecturer and later a consultant for legal cases involving murder, accidents, and arson. He was an accomplished handyman, making much of our furniture, and he had an intense knowledge and love of history.

We spent a year in England when I was ten, touring historical sites including castles, churches, Roman roads, and museums. This is not as extravagant as it sounds. The university had posted Dad to an atomic research facility in Berkshire, and we toured on the weekends in an old car. Overnight accommodations were sometimes in a caravan park!

1962

As a single income family, we lived frugally. Before leaving for England and after returning, we spent holidays in a tent and could only afford to drink soft drinks during one time of the year—Christmas. They sacrificed to send us all to private schools. I am immensely grateful for this and for the large amount of attention and intellectual stimulation they gave us. Once I reached adulthood, I was close to both of them and saw them weekly until their deaths—my father at 76 and my mother at 93.

But in some ways, I must have been a disappointment to my father.

He expected us to have professional careers as doctors, engineers, or lawyers.

Studying history at university was not what he wanted for me, but at least he felt I could become a successful academic. Then I dropped out, without even achieving a PhD, and went to work as a gardener. He never said anything, but I could guess at his disappointment.

In later life we became good friends and would have lunch together each week. By this time, I had about a thousand franchisees. I asked him once, "I guess it wasn't such a bad career choice, was it?" He basically just grunted, "I guess not." But I'm sure he was proud of me. It's been 24 years since he died of a stroke, and I still miss him.

I learned the importance of looking after customers at a very early age. Our neighbor over the back fence was a Mr. Tapley. At the age of eight, I knocked on his door doing bob-a-job for the Cub Scouts, and he let me rake his gravel driveway. Then he offered me an ongoing job. I would rake the drive, pull weeds, and do anything else he asked. He paid me two shillings a week—just 20 cents in modern terms, but not bad for a kid. In those days, you could buy a decent block of Cadbury chocolate for two shillings. It doubled my pocket money.

I learned a lot from Mr. Tapley, particularly one summer's day when I must have been about ten. The gravel drive didn't need work and there wasn't much else going on, so he asked me to carry some rubbish to the incinerator. After checking the job, he found some leaves and branches that had fallen along the way. He told me, "If you're not going to do it properly, I might as well do it myself." Mr. Tapley was a gentle man who never raised his voice in all the years I knew him. Perhaps that's why I still remember my shame and my determination never to let him down again so vividly.

About this time, I began mowing the family lawn with our push mower, which wasn't easy. The backyard had a fair slope to it, and twigs from the trees were forever jamming the blades.

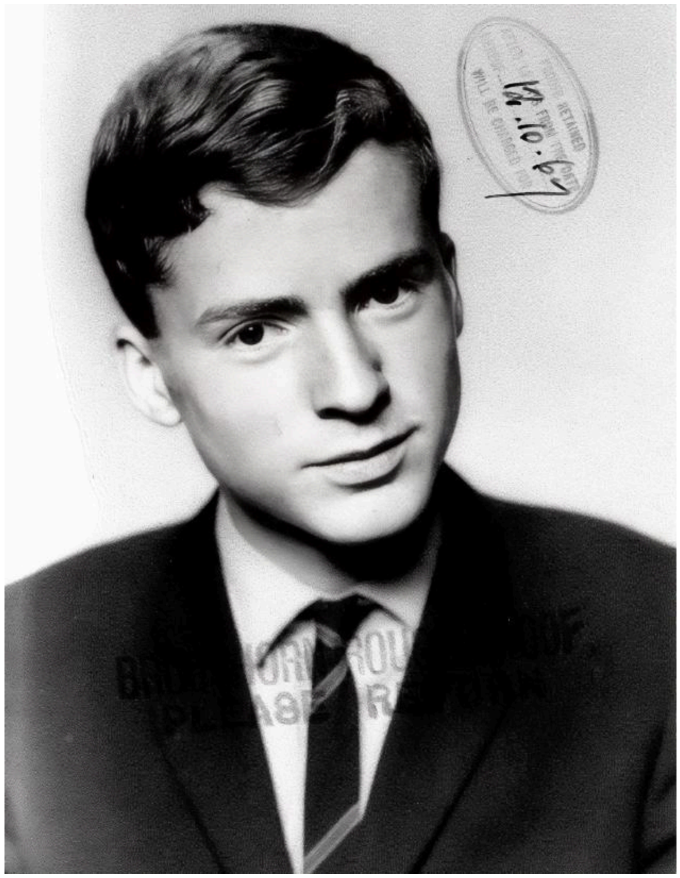
Later on, I also mowed for a neighbor across the road. Like Mr. Tapley, he was a gentle man who was very kind to me, an unhappy youngster with few friends, who didn't get on well with his father. He had been in a POW camp for Polish officers and had suffered terribly during his time there.

I learned everything I know about gardening from my customers, but I never learned more than I did from these two good men. Especially my passion for customer service and the upset I feel even now when one of my clients has been let down.

Of course, this had nothing to do with my career intentions.

An early ambition of mine was to be a doctor, then a vet—I got on better with animals than with people—and at one time, even a science fiction writer. Never at any time did I dream of being a business owner, and least of all someone who mows lawns.

My real passion as a teenager was history. That passion started at the age of 14 when a friend gave me a copy of Thucydides' *The Peloponnesian War*—a tragic account of the decline of Imperial Athens. I became hooked on the question of why civilizations rise and fall. I was especially intrigued by a stark difference with animal populations. When animals have plentiful food, their numbers tend to explode. When human societies become wealthy, as in ancient Rome, they tend to decline—not only in population but in economic success and social cohesion. I decided I'd become an academic to try to find out why.



Age 15

Before starting college, I took a year off to earn money. This was the period when I worked for a few months on that farm in Western Australia. After that, I took various jobs, including selling encyclopedias—without success—and a stint in public service.

Toward the middle of that year, I decided to have another go at mowing lawns. After making $18.00 a week on the farm (this was 1970), $1.50 per hour seemed reasonable. I handwrote a notice with my price and the services and asked the local hardware merchant to put it in his window. It generated three clients, two of which continued after the start of college.

They were a great training ground because, with my low rates, they didn't expect me to know too much.

One taught me how to prune hydrangeas. Another helped me lay a new lawn.

With time, I became confident enough to raise my rate to $2.00. One of my clients objected, but I managed to put the blame on inflation. Then, about a year later (in 1974), I heard rumors of people charging even more. I decided to go for broke and charge what seemed the incredible rate of $3.00 an hour. At that stage, I had done no advertising except my first sign in the shop window, but my new plans were going to require more. I went into the university union and used the duplicator to run off small notices advertising my services, then cut these up into strips and delivered them to houses all around my family's home. The response was astounding. Many people said they had never heard of anybody working so cheaply. This got me looking at the issue of pricing.

To make better money, I had to get off hourly rates and onto fixed quotes. I figured on $5.00 for mowing a lawn. With each lawn taking thirty minutes, this could earn me the dizzying sum of $10.00 per hour. But no one was going to pay me $5.00 if I was using their mower, so I would have to buy my own. This meant spending the giant sum of $200.00, probably the scariest decision of my whole business career.

What pushed me into the purchase was the sudden urge to own a car. I had been cycling between campus and my parents' place, and some of the hills were a bit much.

Also, I thought a car might help me with girls, but unfortunately, in this I was to be disappointed!

Without any money for a down payment, I persuaded the bank manager to lend me $1,600.00 for a second-hand Holden Kingswood (an Australian car), and I bought a bright orange lawn mower manufactured by Pope.

My new marketing was more serious and on a bigger scale. I distributed leaflets offering "Most lawns $5," which were quite successful. Even working only a day or so a week, it didn't take long to pay off the Kingswood. The best thing was that I enjoyed mowing lawns. After sitting at my student desk all week, it was good to get exercise in the open air. Even now, life falls short for me if I don't have some daily contact with grass and trees.

Chapter 2: My Great Obsession

By the time I started my postgraduate degree, I had built up enough clients to sell some off as an ongoing business. This sale netted me several thousand dollars—which, together with a legacy from my grandmother, made up the deposit on my first house. The income from my part-time business wasn't too bad.

I was also keen on learning how to do the job better. One thing about mowing that always frustrated me was edging. For lawns with a mower strip, this wasn't a problem. I ran my wheel along the edge and picked up the grass with the left-hand side of the mower—rotary mowers suck better from the left. But for the grass around trees and next to retaining walls, there was no easy solution. Cutting it with shears was simply not commercial, and it always bugged me.

One day, I was in the mower shop where, it must be confessed, I spent far too much time. Tom, the owner, said I looked after my clients better and my mowers worse than any contractor he knew! But this day as I wandered about, waiting for him to fix my machine, I noticed a weird-looking gadget on the floor. It was a long pole with a handle in the middle, a small engine on one end, and a short piece of nylon cord sticking out the other. What was it doing in a mower shop? Tom told me it was a "brush cutter," one of the first in the country and just out from Japan. He picked it up and showed me how it worked.

I was amazed. Did this mean I could trim around trees and clotheslines just as easily as a wheel on a mower strip? Absolutely! The price was steep, but I bought it on the spot. That is how, as a part-time student, I became one of the first contractors in Australia to own what we call a brush cutter, also known as a weed whacker.

This immediately made a quantum leap in service possible.

I could quickly, and neatly, do something that most homeowners could not do for themselves.

So, my business was working well, but mowing lawns was a student job, not a career. My great obsession in those days was research. I lived it, breathed it, and thought about it all the time. My interest had only grown since my 14th birthday, and now I used the rise and fall of civilizations as a lens through which to understand the history subjects I was studying.

As an undergraduate at university, I pursued the question of why human societies decline after growing wealthy. I focused especially on demography. What kinds of behaviors were associated with rising and falling birth rates? This led me to study historical changes in family and personal behavior, and then on to cross-cultural anthropology. For example, more complex societies tend to restrict sexual activity and control children more tightly. What effect did that have on their children and future generations? My reading then took me to zoology, psychology, and eventually back to biology because there seemed to be a connection between these family patterns and the way animals responded to limited food.

As I moved on to a PhD in history, my ideas gradually shifted. I eventually came to the conclusion that above all, changes in society were determined by changes in character, and that these in turn were biological in origin, driven by factors such as food shortage, population density, and sexual behavior. I saw tremendous potential in this approach, including ways to cure poverty, drug addiction, and many other ills. My findings also implied that our society was headed in a very bad direction, much as in the days of Rome.

My life became consumed by a sense of purpose to further develop and apply my research. Though I was never naturally hard-working, I set myself strict guidelines of hours and goals, and drove myself to meet them. I didn't care about money. I lived very simply and continued studying through the holidays. Part-time mowing was more than enough to live on, and I'm frugal by nature. I was content to live on a modest income, as long as I could pursue my passion.

But as a career path, this had serious problems. Historians gain jobs and tenure as experts in a highly specialized field. My approach was so broad that it could not even be described as history anymore since it was founded in biology. In fact, to describe it, I adopted the term "Biohistory."

This approach was so wildly unorthodox that my thesis examiners didn't know what to make of it. One made a comment to the effect that if it was "a magnum opus at the end of a distinguished career," it might be worth considering. In the end, they rejected it. Lest anyone be too hard on them, I should point out that my thesis claimed that virtually every explanation described by virtually every historian about every event in history was wrong!

There was a way ahead, but it was a strange one.

In contrast to any other theory about history or society, my theory could be tested quite rigorously in a laboratory. I'd come to the conclusion that over-abundant food, especially junk food, was contributing to ills such as drug addiction and alcoholism, as well as wider social problems. Food restriction, on the other hand, has been found to have real benefits for health and well-being. If I could work out how to reproduce the effects of limited food without the need to go hungry, it would help many people live better lives.

But this is where I came to that brick wall. First, I was not the person to conduct such tests. I was already in my late twenties, and retraining as a scientist would have taken the better part of another decade. Even then, there was no guarantee that such a large project could be funded. Furthermore, I lacked the temperament to be a research scientist. What I needed was my own research foundation, which would cost tens of millions. So, at the mature age of 28, I was forced to look for a business that could someday pay extremely well.

Clearly, mowing lawns would not fit the bill. It was a business of independent contractors, who would be impossible to supervise and maintain standards of service. Nobody had done this anywhere, on any scale. To be honest, it never occurred to me for an instant that there was any real future in it, but it was the only thing I knew how to do. So, I advertised widely for clients and brought in subcontractors. They provided their own equipment, collected from the customers, and paid me a royalty, usually 20%.

It didn't work. There were plenty of responses. Some ads in the local papers, a few leaflets dropped, and the phones were running hot.

The real problem was me.

Released from the discipline of study, I began to slacken off. I didn't even mow lawns myself but stayed home to "manage the business," which in practice meant that I did very little of anything. Part of this was the absurd attitude that I was a manager and "above" doing the manual work that my business required. I was too foolish to recognize that all work has dignity and value, and manual labor has just as much as any other kind.

It's an attitude I see too often today in people who rely on handouts rather than taking a job—any job—that's below their dignity, and thus miss out on chances to learn and grow and progress. It's an attitude that has to be overcome when a laid-off business executive considers buying a mowing or cleaning franchise, doing work they would never have dreamed of a short while earlier. With time, they might build a lifestyle beyond anything they have known, but it can be a hard step to take. I know that attitude because I've been there, and I'm ashamed of it. It almost wiped me out.

I didn't even manage the business properly. On many days, I sat in my bean bag, reading science fiction. The lack of exercise made me even more lethargic, to the point where I could barely handle the administration of the business and had to hire people to help. To make matters even worse, I had fallen seriously in love and was even more distracted. I started losing money and had to borrow tens of thousands of dollars to stay afloat. From a business point of view, the only positive thing arising out of this period was that my fiancée decided she liked the bushy look. Too impatient to spend time shaving in any case, I decided to grow a beard. That beard later became the basis of our well-known logo, together with the bucket hat I wore gardening.

I'm lousy with people and a poor salesman, as shown by my earlier failure to sell encyclopedias, so I hired someone who seemed to be the answer. He managed to sell the rights to my entire customer base for enough money to clear my debts and give me a fresh start, but the $5,000 check he handed me was a dud. Then he fobbed me off with some promises and disappeared.

It was two weeks before Christmas, 1982. I was thirty years old and a failure. Not only were there no job prospects, but my thesis had been rejected. Now I had failed in academia, failed in business, and lost my house. I spent the proceeds from the house on frivolous things, instead of saving my business. Realizing my mistake, I borrowed more money to keep my business afloat. It was unbelievably ridiculous.

Behind it all was my arrogance and stupidity. True, I had been cheated, but a better man would have run his own business and not handed it over to someone else.

And yet something had changed, and for the better. It was a change in me.

Part of this was that I had recently become a Christian, which was a shock to everyone who knew me, not least my family. Let me explain.

Chapter 3: A $24 Investment

For many years, I had been a militant agnostic, seeking out Christians only to argue with them and tell them why they were wrong. Then I ran into a group at university who had something, a level of warmth and certainty that I felt I lacked. They invited me on a retreat. And there, on the first morning, sitting quietly with a red pen and an exercise book to write down my innermost thoughts, I felt a call from God.

Immediately, like Paul on the road to Damascus, I switched sides. I was baptized by immersion and became as fervent about evangelism and Christian activity as I had been against. It was a time of joy and excitement, of intense friendships and new experiences, but not a good state of mind for focusing on business.

To make matters more complicated, as I indicated earlier, I was deeply in love with my fiancée, who I had met at a church social. We were unable to marry at that time, and of course unable to live together. It was all just a massive distraction.

But the teachings of Jesus were gradually sinking in. Foremost among these was the Parable of the Talents, which was and remains my favorite passage from the Bible. It expresses the idea that God gives us abilities and expects us to use them. It fit my own sense of mission and would give me strength and support in the dark times ahead. I especially loved—and still love—the music of Keith Green, a singer who challenges us to go beyond, to try harder, and never to be satisfied that we have done enough.

The immediate turning point was even simpler:

I got married.

My wife was a student and unable to work, but she was supportive and able to help with the business. The most important thing was that I needed to support her, and the children we intended to have. It's a factor we often see in franchisees. Young single men tend to have a poor track record. They get discouraged, become lazy, and give up, while men who lose their wives also tend to become demoralized. But married men with families are more likely to stick through the bad times. That's what happened with me. I knew I had to buckle down and work hard to get out of the financial mess I was in.

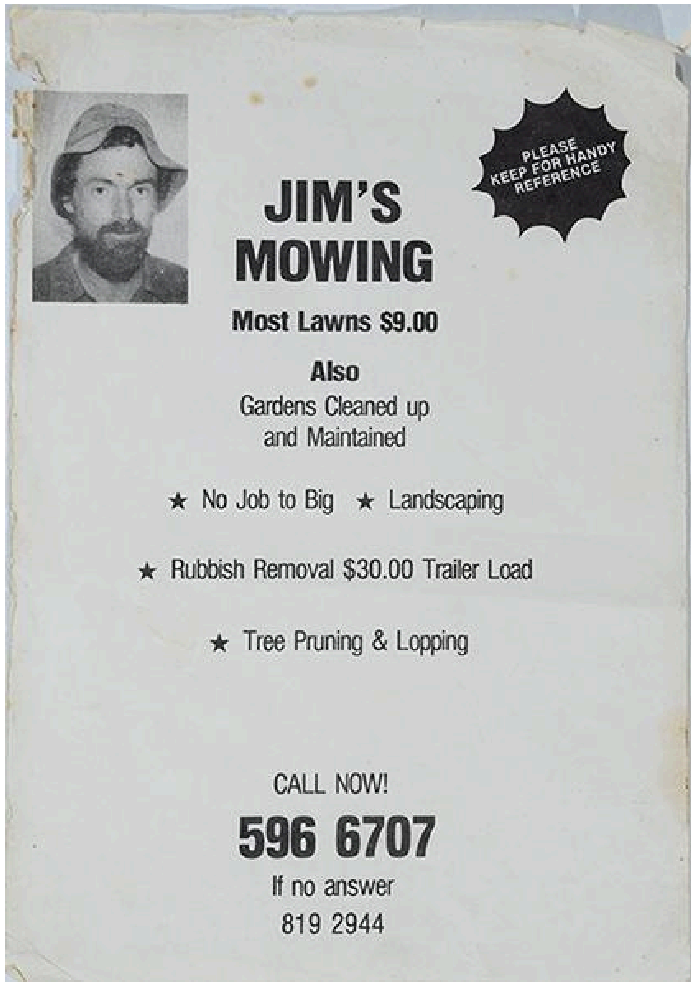
But what to do? Working for someone else was never even an option. I'm too ornery and difficult to be comfortable with a boss, even if anyone was rash enough to employ me. My only course was to go back into business for myself, and the only business I knew was mowing lawns. But this time, I was a lot poorer. I had sold my house and squandered the money I had gotten from it, and was some $35,000 in debt!

All that remained from my business was an old, battered car with a small trailer to pull behind it, and a mower and brush cutter on their last legs.

My start-up capital was $24.

That was enough to pay for a short run of leaflets. My wife and I spent a few days pushing the leaflets into letterboxes. Then we waited for the phone to ring. There was a major disaster in the first week when the dog got under the house and chewed through the phone line, but gradually, the work began to trickle in.

By January, I was turning over $500-$600 per week—enough to cover debt repayments and living expenses.



My original leaflet, complete with typo. See a YouTube video of me discussing it with an employee here.

In some ways, it was an exciting time. I was newly and happily married, and working in the open air was a great way to make a living. It kept me fit. My mind was clear and active, far more so than it had been when I was a beanbag "manager." I loved to watch the seasons come and go, and I even enjoyed changes in weather during the day—something for which Melbourne is famous! After rain, the air is fresh, and the smell of grass and gum leaves is sharp and unforgettable. It can even be pleasant to work in a misty drizzle, so long as you wrap up well and know how to direct the clippings into the grass catcher so you and the lawn stay clean.

Then there was the work itself. I would go into an unkempt lawn with a weed-infested yard. A few hours later, it would be a place to take pride in. The lessons I learned from Mr. Tapley and my other early clients had sunk in deep. I was scrupulous about turning up on time and fanatical about doing the job well. My customers were not only satisfied but impressed, and many gave me extra money and referred me to their friends. I vividly remember one customer saying,

"I never knew my lawn could look so good!"

But it was also very hard work—Monday to Saturday, and often well into the evenings. We were under desperate financial pressure, never sure whether the loans and rent would be paid at the end of the month. Every extra expense was a crisis, bringing us that much nearer to the edge, but then the phone would ring and the money appeared. Sometimes the rent or loan repayments were a few days late, but they always got covered.

And in my mind remained a vision that I would one day have wealth enough to fund my research institute and bring real change to the world. This must have seemed so absurd—an impoverished lawn mower deeply in debt and barely getting by, yet aiming to spend millions on research. But I knew God had a purpose for my life, and I somehow had to make it happen.

The pressures of those early months really tested my values. The first crisis came about two weeks after the first leaflets went out. Shortly after Christmas, my beaten-up old mower and brush cutter both packed it in. This wouldn't haven't been a problem in a different part of the world, but in Australia, this is our long break and almost all the shops were shut. Replacing my equipment was a huge problem, not just because I had no money, but also because there seemed to be nowhere to buy it. I hunted around and found a place some distance away that was open for business. The shop was busy with customers, and the salesman was rushed. He gave me a quote, then filled out the invoice and took payment. As I walked out with my gear, I realized that, in his haste, he'd made a mistake. He'd undercharged me by 100 dollars.

Of all the times to receive a windfall. The sale was valid. The shop could afford the loss better than I could. I wasn't likely to go there again, so loss of goodwill was hardly a factor. So I decided to accept my good fortune and be thankful for it. I drove all the way back to my first job for the day, unloaded the equipment, and then stopped. I rehearsed all the arguments I'd given myself above, but it was no good. If I was meant to succeed, I couldn't achieve it through a dishonest act. Somehow, and I could not think how, God would make it up to me. I reloaded the equipment, went back to the shop, and handed over a check for a hundred dollars.

That very afternoon, I was doing a job for a man involved in the office equipment business. We got talking, and completely out of the blue, he offered to print some leaflets for me. I'm not sure why. Maybe out of the kindness of his heart, or perhaps he saw me as a potential client. But the striking thing was the value of the offer, which was a figure *he* came up with and not me—almost exactly the $100 I had given back to the shop.

It's hard to overstate how much this meant to me. It wasn't the money itself, but the sense that God was in control. I would never again have such an experience, but I have found many times that doing the right thing is also best for the business, even when it doesn't seem possible at the time.

I seemed to be blessed in other ways as well.

This was especially true since I was soon faced with what should have been a disaster. When I had been mowing lawns as a student, I used to wonder what would happen to my business in a drought. Soon after starting, in desperate financial straits, I got the chance to find out. The Melbourne summer of 1982-83 was the driest for decades. We were forbidden to water, except by hand, and lawns died. Then the economy went into a recession.

But success and failure come from within, not from what surrounds us. Twelve months earlier, in good times with perfect weather and no debt, I had gone into business and failed. That had mainly been because I'd felt like the work itself was beneath me. Now, in bad times with bad weather and crippling debt, I soared. To the new me, dry conditions were an opportunity. Rubbish left lying around was a fire hazard. With hand-watering of yards and the summer heat, weeds went berserk. So, from morning till night, six days a week, I slashed blackberries, dug gardens, and cleared gutters. I was so determined to find work that my quotes were distinctly modest, and virtually nobody rejected them. But I worked so furiously and with such concentration that I still made money.

In those days, most mowing contractors were only interested in mowing lawns, but I remembered a lesson from my student days five or six years earlier. A regular customer had once asked me to cut some shoots from around the bases of her rose bushes. I would have been happy to do it but thought that my rates—in those days $5 per hour!—would be too expensive, so I suggested she get someone else. She did, and she gave them the mowing work as well. I had not only missed out on some useful extra work, but I had lost a regular customer.

In another case, an old lady who was one of my favorite clients asked me to trim some tall bushes. Not having a ladder on hand, and not wanting to overcharge her, I again suggested she call another contractor—who charged her twice what I would have been happy to take for the job! So, from then on, I simply quoted on every job I was offered.

Nothing stopped me, not twelve-hour days nor heat reaching forty degrees Celsius.

In fact, the harder I worked, the more energy I seemed to have.

I would come home from a day of hauling rubbish and slashing blackberries and jog down to the shops to buy milk. We even managed to cash in on the drought by starting a watering service. Holding a hose by hand was easy work and we couldn't charge much, but we hired students and others and did some of the work ourselves. At the end of a long, hard day, it was quite pleasant to stand and hold a hose for an hour, occasionally giving myself a sprinkle.

Eventually, the rain came and the grass started growing again, and I picked up a great many clients from failed competitors. Even so, money was still tight, and my wife and I learned to find enjoyment in small things.

One of these was our Friday night dates. I worked six days a week from morning till dark, but on Fridays, I would knock off early and go home. It was our evening "out," not such an easy thing when you have no money, but we had a system. At around eight, my wife and I would walk down to the local library and spend an hour browsing and borrowing books. As a passionate book lover, this was entertainment in itself. And, of course, it had the advantage of being free! When the library closed at 9 p.m., we would walk by the local fish-and-chip shop to buy dim sum and spring rolls—cheaper than fish. Then we'd go home through the park to read "Asterix" comics in front of the fire.

Then one Friday, it all went wrong. It was already late when I arrived at a client's place to pick up my final haul of rubbish. It was a big job to load, as it was mainly earth and concrete, but that wasn't the worst of it. As I drove up a slight hill on my way home, the engine began to race, and the car slowed. Finally, with an ominous burning odor, it stopped. In my normal impatient way, I had piled on far too much, and the heavy load had burned out the clutch.

I was cold. I was hungry. Night was drawing on, and my special evening was ruined. There was a looming bill for replacement of the clutch, which I couldn't afford. I had worked and worked, early till late, but nothing I did seemed good enough. I was never going to get ahead.

At that moment, I lost all hope and gave up. The future stretched ahead, cold, gray, and grim.

When the spirit fails, sometimes habit steps in. I had a saying from my earliest mowing days: “Put one foot in front of another.” No matter how bad you feel, keep on taking the next small step and the job gets done. At one time as a student, I had been feeling really ill, but had had one last lawn to cut, and I would not and could not let my customer down. I was too exhausted to do it in the normal way, so I pushed the mower across the lawn, rested a bit, pushed it back, and rested again. Each step was a burden, but I knew I only had to make it across to earn a rest. The job got finished, the client was looked after, and then I went home and collapsed into bed.

Clearly, sitting in the car was not the next step in this breakdown scenario. I found a public telephone booth and called roadside assistance and a friend who lived nearby. My friend was happy to help out. Soon he arrived in his utility vehicle, hooked up the trailer—rubbish and all—and hauled it away. First problem solved.

Then I sat back in the car and waited for roadside assistance. It was cold and getting dark, and the night seemed shrouded in misery. But there was a Keith Green tape in the car, and I put it on. As I said, Keith Green is both inspiring and challenging for me, and the dark mood began to lift just a little. Becoming aware of this, I knew I was *not* defeated. In fact, I couldn’t be defeated if I refused to give up. One day I would reach my goals, no matter how impossible they seemed at the time.

I don’t even remember whether I got back in time for our Friday night date.

But I do remember sitting in that cold, dark car, feeling a mighty presence all around me and a tremendous sense of joy.

Chapter 4: Poor Salesman

From this time on, we forged ahead. One of the greatest myths in business is that customers are hard to find. In the beginning, when you aren't sure what you're doing and don't have systems and services figured out, it potentially can be. But in my experience, customers are easy to find and to keep—provided they are looked after properly. And by looking after them properly, I don't mean just doing enough to get by. It means turning them into fans. If they're fans, they'll make the work of finding more business easier.

This wasn't a problem when I did all the work myself. As I have said, I was obsessed with service. No standard of work was ever good enough, and I was constantly searching for ways to give a better finish and a cleaner look. The mowing lines had to be straight and the grass picked up cleanly, even if it was wet. A dug-over garden had to show no trace of weeds, with nothing green to disturb the chocolate-brown earth. The textbooks say you should mulch the earth to preserve water and nutrients, but my customers wanted dug earth, so that's what I gave them. And if they wanted the lawns scalped, I did that too, much as it pained me to cut the grass so short.

Just as crucial, I was scrupulous about time. If I had said I would be there, I was there. Customers hate waiting at home for someone who doesn't turn up, and I hate to let people down. In 20 years of working for many thousands of customers, I can only recall doing this twice, as a result of messed-up paperwork. And I'm sure it was only twice because I can still remember the sense of horror each time.

But how could this be built into a more profitable business? I had tried employees and contractors before, and it simply hadn't worked. In fact, I had barely been able to build up clients fast enough to replace those being lost by the poor service provided by those contractors.

As with so many things, the beginnings of an answer came largely by accident.

My PhD thesis had been rejected, as I mentioned, but mainly for technical reasons. It seemed likely that a new introduction that better explained my methodology would do the trick. There was no practical benefit to this, since an academic job was out of the question—I truly don't have the right temperament—but I felt that eight years of work should have some result.

With the encouragement of my thesis supervisor, I decided to try. But first, I needed to reduce my working hours, which were still morning till night. I advertised my lawn-mowing routes in the paper. Finding a buyer and getting him started took longer than expected, by which time my customer base had built again through constant referrals and new leads, and I was booked solid. So, I advertised again for a buyer, and the same thing happened. In the end, I sold three businesses and made a surprising amount of money, which gave me the time and resources to rewrite and then submit my thesis, which was later accepted.

Then it was back to working full-time, once again finding subcontractors to cope with the flood of leads and having the same problems as before. My service was excellent—the job was clean and thorough, it was done on time, and I stayed on excellent terms with my clients. Some of my subcontractors were equally good, one in particular. He was competent, conscientious, and businesslike, and soon bought out his customers to establish an independent business. He was the kind of man who would one day form the basis of my franchise system—trained in management, with terrific personal skills, but seeing no loss of dignity in working at a manual job he enjoyed—a high achiever in a typically Australian mold.

However, he wasn't the norm. Other subcontractors did jobs poorly, or were late. Complaints were common, and the cancellation rate appalling. Not that this was the fault of the people concerned. They were simply average workers asked to mow lawns with their own equipment. In a normal job with full supervision, they might have done well. Or even in this job, with good management, training, and support, but I was still no manager.

So, on their own and without supervision, my subcontractors tended not to perform well. Because most jobs were small, it simply wasn't possible to check more than a fraction of them, and even poor workers might be kept on for lack of anyone else. Among my problems was a huge turnover of workers, mostly because many couldn't make a go of subcontracting. Bear in mind that they were largely untrained, paying me 20%, and traveling here and there to do jobs that were often clean-ups, since they didn't keep their regulars for long. By comparison, our franchisees' fees these days only average about 6% of turnover. Moreover, franchisees are encouraged to build compact runs of regular clients and even put on workers of their own. They tend to make a *lot* more money!

My system also offered no great incentive for service. My subcontractors were given virtually unlimited work. If one client canceled, they were handed another. They had no direct stake in the business, and any build-up profited me rather than them. Considering the poor service offered by many independent operators who entirely own, and are responsible for their businesses, it's not surprising that my people were no better. In fact, to be honest, on average, they were worse.

And no one could be blamed but me.

I chose the people, I failed to train, supervise, and motivate them properly. I failed to make them successful. This was my failure, and it bugged me. Poor service meant a high loss rate, which meant the business couldn't grow.

My vision back in 1982 had been to overcome this problem by building up clients locally until I had six or seven lawns on every street. In this way, I could have people working in the yards alongside me and still supervise things properly. Later, I intended to employ managers to do the same thing. My goal was an intense local presence, not a citywide business, so the first name I registered was "Balwyn Gardening" after the suburb where we lived.

But because the most cost-effective advertising at that time was not leaflets but local papers and especially the Yellow Pages, the area had to expand. Balwyn Gardening was now too parochial, so the business came to be called "Jim's Mowing"—because most clients wanted to deal with an individual rather than a company. This was also why I started to put a photo of myself on the leaflets.

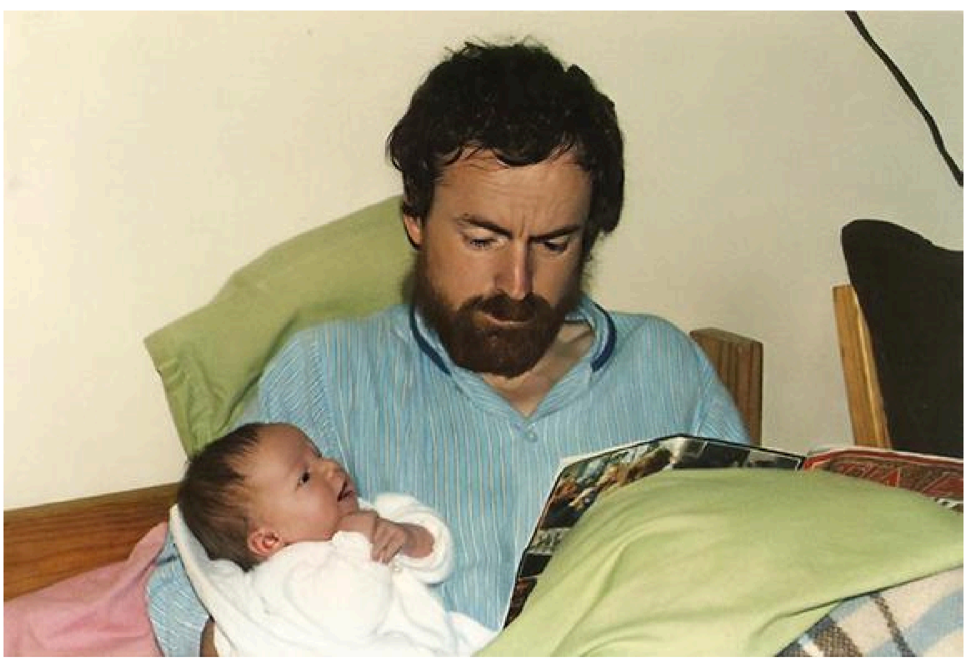
With this broad advertising approach, the build-up of dense local rounds wasn't going to happen. So, because I was losing customers as fast as they came in, I thought back to the lesson that had come out of rewriting my thesis. I had made a lot more money selling businesses than operating them. Maybe this was the way ahead? I did this reluctantly because it was an admission of failure and appeared to make building a major business impossible. And a major business was vital to my dream of a research institute, which was going to need a *lot* of money. It was hardly going to happen if I kept selling my good will, and I had no thought in those days of an ongoing income from franchise fees.

Even in the short term, the results of selling mowing businesses were excellent. In December 1982, I had been a failure, with my thesis rejected and deeply in debt. Only 15 months later, in February 1984, I had the best month of my life. My thesis was accepted. I paid off the last of my debts. And the best news of all—that same month, I learned I was going to be a father!

Thus, Jim's Mowing was created, with a carefully non-corporate image. Most people in those days preferred to phone a tradesman who lived nearby, and for good reason. A local person will usually get there faster and be keener to work than someone from farther away. So, when looking in the local paper, people typically chose a local phone number.

In the beginning, I countered this by employing women as answering services in different parts of the city. They would take messages for me to pass back to the local operators. I even tried local-sounding names, such as "Dandenong Mowing" when advertising in that Melbourne suburb. Later we switched to phone diverters that brought the answering back to a central point, but still gave the benefit of the "local number."

An early experiment seemed to back this view. I had approached an advertising agency to try and find more work, and they got me to try a concept called "Mr. Lawns." I advertised this name with a stick figure of a mowing contractor and a single, central phone number. The ad in the local paper was twice as big and therefore costly, but I thought it would be worthwhile if effective. As it turned out, the big fancy ad drew only half the response of the less prominent ones left running alongside it.



Richard 1985

As I had suspected, people felt a larger business with a non-local phone number meant someone coming from far away and charging them more, and possibly a different person each time. The first part wasn't true, since my subcontractors lived and worked locally. The second part was all too often true, since my staff turnover was high. Whatever the reason, it didn't work, so I scrapped the campaign and went back to Jim's Mowing. Ironically, of course, Jim's was to succeed where Mr. Lawns had failed, but with a very different structure.

I say it was ironic because the same strategy that failed then was to succeed later. The change occurred because customers got used to the idea that a brand was a sign of better service, partly because of businesses like ours. It's the same sort of change that happened when the fish and chip shops of my childhood came to be eclipsed by fast food giants.

At this stage, my business had three main tasks. The first was to find the work, which I could now do cost-effectively. The second was to look after the clients until the business could be sold, which I could also do through subcontractors. It wasn't a great solution because the service was often poor, but it worked well enough in the short term. The third was to sell the resulting businesses.

But here a major problem arose because I simply could not sell.

Chapter 5: Selling by Not Selling

I have never been able to sell. As I mentioned earlier, one of my earliest "jobs" was selling encyclopedias door to door, and I put the word "jobs" in quotation marks because it never actually made me any money. I knocked on doors for two weeks without being able to persuade anyone to buy. Later, I tried canvassing for a paint company and failed in that also. I had no people skills, I could not take rejection, and I absolutely hated selling. I was a thoroughly awful salesman. But now, for my business to succeed, I had to sell mowing routes consistently month after month.

I struggled with this problem for years and tried many ways to overcome it. I approached business agencies, experimented with different forms of advertising, and even hired other people to sell mowing routes for me. At one point, a professional salesman on commission sold the business for me in my office while I either looked on or sat with my back to the scene, pretending to be involved in something else. It was absurd. It was also ineffective. I asked a family friend what I should do. “Be your own salesman,” he said. “No one can sell your business as well as you can.” Easy for him to say. He had the charm and confidence that went with many years as a business manager—not much help to a social incompetent like me.

But he was right, and one day I did learn how to sell. It was a principle that opened the door to a business far beyond anything I could have imagined at that time. It happened because I was looking for advice on advertising and went to see Peter Rancie, a member of my church who was a partner in an advertising firm. As you would expect, his offices were impressive—all expensive furniture and glass-topped coffee tables. While waiting, I pretended to read *Business Review Weekly*. Compared to his obvious success, my little backyard operation felt primitive. To be honest, I was quite intimidated.

Eventually, he invited me in and very kindly spent half an hour answering all my questions, advising me on media, how to word ads, and anything he thought might help me out. At the end of the interview, he told me that I really could organize and control my own advertising, and that at this stage, I didn’t need an agency.

I remember leaving the office feeling deeply impressed by Peter, but then wondered why. He hadn’t told me about his clients or shown me any promotions. In fact, he had advised me not to use him. Yet I knew that if I ever did need an agency, I would use his without hesitation, without asking about price, and without considering any competitors. He had done *nothing* to sell me on his business, yet he had given me the most effective sales pitch I’d ever heard, and he also taught me one of the greatest lessons of my life.

While walking through the streets to where I’d parked my car, I began to realize what he had done. I had been sold on Peter and his company because his sole concern had been my welfare and the success of my business. I wondered if this same principle could be used to lift my abysmal sales skills. And then, just as I reached the car and leaned over to open the door, I figured out how it might. Could this possibly work?

The next time someone called me about my advertisement in the paper, I tried it out.

Usually, when someone rang me about a lawn-mowing business, I would describe the business and suggest why they should buy from me, including advantages such as my offer to replace any clients who dropped out. But this time, I began by asking a question: “Do you know what it means when we talk about the ‘cut’ of a lawn mowing route?”

Now, this is something that every lawn mowing contractor knows, but people looking at getting into the business usually don’t. A “cut” is the value of a job done once. For example, 50 customers with an average job price of $60 would have a cut of $3,000. From this, you can figure out your expected income and a fair price for the business. Newspaper ads for mowing routes were all phrased in terms of cut, but I knew from experience that most potential buyers did *not* know what it meant. So now, I explained it to the caller and then continued talking, giving more information that I thought might be useful.

With this guy and those who followed, I gave still more help when they came for an interview. I told them not only how to value a mowing business and make the best purchase decision, but also how to run it properly. I gave advice on advertising, collecting payment, and such technical hints as how to cut wet grass and fill the catcher.

All my hard-earned knowledge was passed on without strings. I wasn’t saying, “Buy from me and I’ll help you,” but “Here’s how you can succeed, regardless of who you buy from—even if you choose to build your own business.” At the end of my “presentation,” I would simply show the business an offer and briefly explain the deal. My aim was that, by giving advice and focusing solely on their interests, I would show that I was worthy of their trust, which would hopefully increase my chances of making a sale.

But what if their best interests lay in not buying from me?

I soon faced this challenge when a young man who had come to see me rang back for advice. He had been offered another mowing business in the same area. Which did I think was better? I asked him all the relevant questions—the cut, the number of clients, and how widely scattered they were. This told me the hourly rate and therefore the likely income. I asked whether he felt the seller was genuine and why he was selling, and calculated how many clients he might be expected to lose. Then I did my math. The other mowing route worked out to be about 10% better value than mine.

What to do? I was taking this approach to try to grow my business, but if I advised him fairly, he would buy the other one. But there was really no decision to make. I had resolved to put the interests of my buyers first, and I'm also a lousy liar. So, I told the truth. I said the other business was better and advised him to buy it. He thanked me and hung up. Shortly afterward, the same thing happened with another buyer, and again, I advised him to buy the other business. A third time, I was asked for advice, but my run was actually better value because the other guy was charging too much. However, his route was in an area closer to where the buyer lived. So, I suggested he do what was in his own best interest, which was to go back and offer $1,000 less.

Then something astonishing happened. All three came back and bought from me! In the first two cases, my runs might not technically have been the best, but I had obviously gained the buyers' trust, which counted for more. In the third case, the overpriced mowing round, my contact made the offer and was refused. Shortly after he bought from me, the vendor of the other business dropped his advertised price in the paper to within $100 of my estimate.

From that time on, I had no more problems selling lawn mowing routes. And weirdest of all was that my own social ineptness—my blunt, abrupt personality and inability to sugar-coat things—had become my greatest asset! I forgot about all other principles and focused on making my buyers into fans, a job that began before they bought the business. After they started, I would give them advice over the phone, provide free training seminars, and buy back their businesses at the best possible price if they wanted to sell.

In effect, this was the same approach that had worked so well with my mowing customers, but now I applied it to a completely different area. I was to apply it again and again in different ways in the years ahead. Apart from anything else, it formed the foundation of my franchise system.

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Another decision that helped my sales had been made earlier, when quite a few customers from one of my routes failed to transfer. I had a policy of replacing such clients, but in this case, several of the replacement clients canceled as well. The buyer asked to have these replaced too, and I said no, as this wasn't part of the agreement. But as I thought about it later, it just didn't seem right. I called him back and offered to replace all the clients, without conditions, as often as needed until he had the full roster.

Having made the offer, I then began to include it in my standard contract.

Why not, since I was going to do it anyway?

This now meant that any of my buyers could be used as references for future prospects. Because if I always took care of them, they'd have good things to say. As so often happens, a decision made purely for the sake of right and wrong turned out to be a superb one for business purposes.

With time, I developed a 12-page manual called "How to Buy or Build a Lawn Mowing Business" and gave one to every prospect in their first interview. In other words, I told them how to build a business from scratch, as I had done, and avoid the need to buy from me or anyone else!

As each person bought a route, I would print their name and phone number on a white card and pin it to a board above my desk. Prospects would be invited to pick a few at random and phone them, asking for a recommendation, and my previous buyers would sell my business better than I ever could.

With this, my business really started to move ahead. I had now made enough to buy a house with a flat attached and a small bungalow in the backyard where I could run the business. My family was growing, with three sons born one after the other. I enjoyed being a father and loved my boys with a passionate intensity. I would often look after them when their mother went out. I talked with them, played with them, told them stories, and was closer than many fathers can possibly be.

This is one of the great advantages of a home-based business, working locally and with totally flexible hours.

So, my home life was great, and financially, we were doing well. But in another sense, I wasn't satisfied. I had always taken pride in giving excellent customer service, and yet day after day brought evidence on the phones that we *weren't* giving it. I felt—and still do today—that any customer of the business is my customer, even though I might not see them or talk to them personally. To give some idea of how badly we were doing, I noted that around half our incoming calls were complaints about poor service, mostly tardiness. These days, less than 1% of calls would be from unhappy clients, although even that is far too high.

Apart from concerns about customer service, my sense of mission burned as fiercely as before. I needed to create a major business to fund my research institute, but how could I do this if I kept selling off customers? Obviously, by getting the purchasers to keep paying me. But why should they pay me when I had already given them all the customers they needed? Once, when I was printing out a list of past clients, I saw we had more than 80 from Balwyn, where my business had started. These customers had been part of four or five different sales. How great it would be if they were all being serviced by one contractor! I knew from my own experience how lucrative it was to look after several customers on the same street on the same day.

This thought gave me a clue.

I didn't need anyone to tell me franchising was a great idea. It obviously was—for me! So, it should also work for customers. I knew from talking to the buyers of my mowing routes that people who owned their own businesses tended to give much better service than subcontractors. Most of them were able to maintain or even grow their customer bases. I figured I could do even better than that by providing more training and support, and by rejecting those less likely to do good work. When someone was interested in a business, I used to send them out on the road with successful operators as an introduction, and it was clear that some had poorer standards than others. It was also clear that these were the ones who were most likely to let customers down. If I rejected them, my customers could expect truly excellent service.

Andrew and David 1987

Franchising would be good for me and for the customers. But what would the benefit for the franchisees be? Ongoing fees would have to be justified by ongoing service. Someone who pays fees simply because they've signed a contract won't be an advocate. Furthermore, it wouldn't be in their interest to sign in the first place—which, according to my own principles, meant I couldn't sell it to them anyway.

This is why I still saw no real future in the mowing industry. I tried my hand at other things on the side, such as a computer shop and a mower repair shop. I put out leaflets with a list of services, trying to establish a broad-based services business. None of this worked, and the mowing business trundled along in the background until I was suddenly given a major shock.

Chapter 6: An Offer Too Good to Refuse

For some years, we'd heard rumors of an Adelaide-based company doing great things in the mowing industry. They were said to offer income guarantees and territories and goodness knows what. But being interstate, they were no threat to us. After all, who had ever heard of a national mowing business? So, when this company, VIP Home Services, arrived in Victoria, it was quite unnerving. They were already the largest mowing franchise in Australia, and at that time, almost certainly in the world. They had uniforms, and their trailers were marked with the company logo. It was all highly intimidating, and I feared they would crush my small business. I rang the state manager, David Mitchell, and offered to sell my entire output of mowing clients to him on an ongoing basis. In other words, I would make my business into an appendage of VIP.

He refused.

He never gave a reason, but from later experience it was probably because they could find clients more cheaply themselves. Moreover, he probably didn't want to help a possible competitor.

This left me no choice but to see if there was any way to compete. I headed down to the 1988 Melbourne Franchising Expo. In those days, they used to hand out a name tag. I immediately removed it and placed it in my pocket. Then I walked up to the VIP stand, hoping above all else that no one would ask who I was. Fortunately, the man on the stand did not. He showed me to a seat, handed me a brochure, and spent about 20 minutes explaining the VIP system in some detail. Then David Mitchell arrived, took one look at me, and declared, "That's Jim Penman. Don't tell him another thing!" But I had been told quite enough and walked out, clutching my brochure.

I was excited—not because the VIP system was bad, but because it made sense. It concentrated work in one area so as to reduce travel, provided security in case of illness or accident, gave discounts on equipment and insurance, and allowed franchisees to make extra cash by selling off surplus jobs. There was good reason for people to stay with such a program and be willing to pay ongoing fees. Bill Vis, the founder, had come up with a system that had real merit.

People often ask me where I got the "idea" of franchising, as if this was the brainwave that suddenly made my business work. In fact, I had long thought of franchising, but I couldn't see how the franchisees would benefit from it. VIP showed me that they could.

And I knew, at that moment, that I could do better.

I wanted a system that could provide all the VIP benefits, plus some. In every area, I asked myself the question, "What would I want if I were seated on the other side of the table?"

One idea was to give my franchisees exactly the work they wanted, where they wanted it, and when they wanted it. In the service industry, the quantity of leads can vary dramatically from day to day, going from nothing to a flood of calls. This is one reason tradespeople are so often unreliable. What I intended was to ask my franchisees daily exactly what work they wanted and where. This meant they would get no work when they were busy elsewhere and more when things were quiet. In later years, we were able to specify this even more closely with software, allowing franchisees to choose which services they would take in which suburbs and even at what times of day. I didn't realize how much time this would take, and it would cause major financial issues in the near future, but it was a key feature of our system, and still is today.

In my vision, territory rights were to be defined by who got jobs *from the office*. Franchisees could operate and pick up clients wherever they wished and build a business of any size, without any increase in fees. In later years, much to my surprise, some would come to turn over millions of dollars a year. We also guaranteed renewal at ten years, and bound ourselves not to take clients off them without the franchisees' consent (something that VIP did, and I knew their franchisees resented it). We would also guarantee a minimum income, but with the requirement that franchisees offer free services as a way of promoting their business.

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One of our franchisees who depended on that pay-for-work guarantee was Shane Charnstrom. Prior to joining Jim's, he had been in a senior management role with a major supermarket chain. He'd worked for them from the age of 19 until he left at 49. To say he was loyal would be an understatement! And in the beginning, they were loyal to him too. He was fortunate to have many great roles and serious responsibilities across his time working for them, and they paid him well.

But the longer Shane was employed by them, the more he struggled with his career.

At first, it was the fact that he wasn't allowed to take off any major holidays. Working in retail, the hours are long and the work difficult, and he knew to expect that. But later, the company altered their focus from being customer-driven to profit-driven, and with that came a change in their morals. They constantly said they put family first, and that they cared for their people, but when he needed time off, they didn't grant it. In fact, no matter how much benefit he brought them, they never lightened their requirements—he was expected to put in 50-hour weeks, including weekends, with no end in sight.

He gave them his all and then some. And as Shane looked back at the years invested into the company, he started realizing something. They hadn't paid him back—not on the things that truly counted. Yes, he'd received good money, but it didn't make up for the time he'd missed with his family.

This realization put him in a very dark place.

Shane took a three-month leave to figure out where he wanted to go. At the age of 49, he seriously regretted missing all of his children's school years and the accompanying milestones.

During this time, his father-in-law took him to meet with a VIP representative. Shane liked a lot of aspects of their system—the freedom and way of life, plus control over his future. But he didn't like how restrictive their structure seemed to be, and he didn't feel like the earning potential was high enough. He decided not to accept the opportunity.

A couple of weeks later, his father-in-law took him to meet with a Jim's representative. The franchisor explained the system and all of the benefits, and Shane was intrigued. However, his biggest questions were, "Could he grow the business?" and "Could he employ people to help out, enabling him eventually to take a step back?" He was about to enter his 50s and needed to know what his future would look like with Jim's.

What he received in response was a resounding yes.

Furthermore, the pay-for-work guarantee offered him a safety net to land in after he left his career and embarked on this new one.

With these answers in hand, he started his own franchise.

It has been nearly ten years since he began, and Shane says things are even better than he expected them to be. He and his wife, Kathryn, committed to learning the business inside and out, and they were successful at it. By the end of the first year, they'd made $114,000. Shane was healthier and had more energy. Some of his physical ailments disappeared. And more importantly, he was able to start having coffee with his two adult daughters, to at least partly make up for the time he'd missed out on with them.

Shane is now a franchisor in our Cleaning division. He has 16 people on his own team, including a manager, and he has a full-time manager overseeing 41 franchisees in his region. In other words, he now controls his work instead of it controlling him. His business functions just fine, even when he's not there.

And his income for the last fiscal year? Over $1.35 million.

Shane and his dog

Shane is a wonderful example of someone who wanted and needed a change and who took the leap. His future is bright and secure. And while it was a surprise in the beginning when franchisees started earning over $1 million per year, Shane is only one of many in that position.

Franchisees like him are one reason I wanted that pay-for-work guarantee in my contract. A guarantee offers a safety net for those who are already established and successful. It allows them the security they need to create a better future for themselves and their families.

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Another clause was even more revolutionary. Most franchise systems work hard to stop their people from going independent. I wanted my franchisees to have the right to walk away at no cost, later amended to a small fee (no more than $5,000). This meant we would have to work hard to make them want to stay, and it also meant that prospects phoning current franchisees were more likely to get a positive referral. It's one reason why we've only been to court with a franchisee once in 35 years. I was later to be surprised at how few franchisees actually took the option to walk away, even when they hadn't taken leads for years on end.

It's hard to overemphasize how radical my ideas were. There was nothing I had heard or even read that was remotely similar. Perhaps the best book on franchising I ever read was John Love's book about McDonald's—*Behind the Arches*—which did tend to support my ideas about putting franchisees first. But that was many years later.

It became clear with time that all these clauses were major benefits, but this wasn't obvious in the beginning.

In those days, I had no idea that Jim's would one day become a household name throughout Australia and New Zealand.

These ideas reflected a passion for service expressed first in the way I treated my customers, then in the way I sold lawn mowing routes, and in the way I intended to treat my franchisees. I wanted them to be considered valued customers, and to become fans. The ideas also stemmed from my different way of thinking, one of the remarkably few aspects in which I have a talent for business. Radical thinking had sunk my academic career by totally flying in the face of conventional thinking about society. In business, it proved to be a plus.

The next step was to turn it all into a franchise agreement, and this turned out to be difficult. I had seen the VIP version and found nothing that fit my vision. So, in September 1988, I went to an experienced franchising lawyer and described the features I wanted. It took two lawyers and nine full months of arguing to get something I could accept. They just couldn't understand a contract that gave franchisees so many rights and franchisors so little power. At one stage, they insisted I have the right to check on the franchisees' earnings. I pointed out that this would not affect our fees, so it was unnecessary. I wanted no rights that were not clearly necessary, and no power to act unfairly. I remember sitting in a boardroom in a tall office block overlooking the city and trying to persuade them by saying, "I want to make an offer too good to refuse."

In fact, my contracts were tough enough with regard to such issues as customer service, wearing uniforms, and paying fees on time. But they worked positively to prevent me as the franchisor from doing anything unfair. I'm sure the lawyers believed these idealistic aspects would be watered down with practical experience, but they weren't, and in time we added three key clauses that gave franchisees even greater rights.

I had been doing much of a franchisor's job for years—providing training, manuals, seminars, advice, and help with resales. Now I needed an information brochure, trailers, and uniforms. Most of this wasn't difficult. I pulled the VIP brochure to pieces, quite literally, examining everything from the way it was written to the thermal binding.

Then I wrote my own completely different version, covering the same topics.

And next came the logo. Considering how famous this was to become, it's remarkable how little thought went into it. The image started with a photo of me wearing my gardening hat, which I had used on leaflets because it brought a better response. The graphic artist turned this into a drawing, giving options of a half-dozen different fonts for the business name. Then we stuck them around the office to look at for a few days. Staff members picked the font we now use because it was the easiest to read.

Original logo

I was also determined that my franchisees would have the best equipment. One of the things I disliked about VIP was their trailer design. Rubbish had to be placed on the roof, which not only lacked space, but was a long way to lift a heavy grass bag. Also, the solid rear of their trailer was great for advertising but hard to steer in traffic because of reduced visibility. Here, my experience as a contractor came in handy.

I had been fiddling with the design of my own trailer for years, focusing on utility over looks. For example, I had developed a separate mower rack across the front axle so the entire body could be filled with rubbish. The sides were made solid for display, but the front and rear were meshed for easier driving. One measure of success is that our trailer design is widely used by independents. At one time, our manufacturer was selling as many trailers to outsiders as to us, though of course with different signs.

Chapter 7: What's the Catch?

To actually launch the franchise, I approached the best of the people who had bought my mowing routes in the past, having kept in close contact through my support system. I also reached out to the best of my subcontractors, about 16 people in all. The emphasis was on quality people because the whole point of the franchise was to offer a quality service.

I invited them all to a meeting and offered what I hoped was a totally irresistible deal. People who had bought a business from me could simply swap it for a franchise, which would thus cost them nothing except the signs. The franchise would include the jobs they were currently doing, so their income would not be affected. I would then give advertising support to build their business locally. If it worked out, they were in on the ground floor and could do well. If not, they could go independent again with nothing lost but some monthly fees and the signs.

The meeting was held in a small room at the back of my house. We were so crowded that half the people had to sit on the floor. I explained the system, handed out a copy of the contract, and made my offer. Those present asked quite a few questions, then took the contract away to read. It offered powerful incentives to join the system, to do the best thing by it, and to stay with it. I asked them how the contract could be improved. Could they see any problems?

As it turned out, they saw plenty.

For example, they felt there wasn't enough protection for territory rights, for rights to regular clients, and against unfair termination. I was stunned by how many things I had not thought of. But they were right in almost every case. As it stood, the contract allowed me to act unfairly in ways I didn't intend to act. And so, I changed it.

In the end, about half of those who had been present at this meeting signed up. One was a young man named Andrew Mackintosh who had purchased a route from me a year earlier. He was a butcher by trade, with a relaxed manner and a warm, charismatic quality that was very appealing. When he spoke at seminars and franchise meetings later on, he would sit casually on the edge of a desk and chat in an informal, off-the-cuff manner. Yet somehow, he managed to engross everybody with anecdotes of what he had achieved and inspire them to go off and do likewise. He made the business sound easy and fun.

We had kept in close contact over the previous year, and he would take new guys out on the road and show them the ropes—the only training we had in those days. He not only gave excellent service, but was adept at picking up "extras," tasks such as rubbish removal and gutter clearing that are the key to good year-round income.

Beneath the easygoing charm was ambition. While he was making very good money, his earnings had reached a plateau. He wanted to do better, to take on workers and build a major business. We had managed to compact his customers quite a bit by swapping jobs, which led to an obvious improvement in profit, but he wanted to travel even less.

Joining the franchise turned out well for him. He lifted his income, and by building and splitting franchises, he recouped his initial investment many times over. He became one of our most successful franchisees at the time, with a peak turnover of just under $1 million a year and

15 people working for him. I can remember him walking into the office to pay his fees with a big smile on his face. It amounted to only a fraction of a percent of his actual income!

In later years, as the business grew and became too much for me to handle, I recruited successful franchisees like Andrew to become regional franchisors, who would watch over franchisees. He eventually came to look after 120 of them and even started a new Jim's division, totally separate from mowing. Later, he became a successful property developer and owner of several large nurseries. This was a common pattern. Many of our best operators have gone on to take franchisor rights, start new divisions, and otherwise build major businesses.

The contract was ready just in time for the spring of 1989, the start of our mowing season. The next few people who came to me for a business were offered a franchise instead. Once they realized they couldn't lose on the deal, since they could take their clients and go independent at any time, they signed up fairly quickly.

It's important to point out how small my ambitions were at this time.

Someone asked me how many franchisees I hoped to have one day. I said that if it worked really well, maybe 100. I openly scoffed at the idea of going interstate. The franchise was still something minor until my "real" business came along.

But I did have a passion for the welfare of my franchisees. This concern was also the reason for one of my best business decisions, which I made right at the beginning. Every prospective franchisee had to spend at least a day with a trainer. If they failed to impress, they would not be granted a franchise. There are key aspects of a good mowing job, such as neat edges, mowing straight lines, and picking up the grass. Trainees must lift the hose from the lawn and coil it neatly on the garden. They might get a reminder or two, but they would be expected to learn. They should also turn up on time or, at the very least, apologize if they're running late. And they should show initiative after the first job or two, such as by helping to unload the trailer.

A day in the field says much more about a person than an interview. So even though I interviewed carefully, refusing a franchise to anyone I had doubts about, field trials proved the most effective way to sort them out.

This was a decision about business, but not a business-based decision. Logic says that taking on doubtful franchisees is a no-lose proposition. If they work out, I have a successful franchisee paying fees. If not, they leave and I'm no worse off. This was, and is, the normal practice for my competitors.

But I *could not* take on someone who seemed likely to fail.

It just felt wrong because I knew how much damage a business failure could do all round. I also believed that better customer service would increase workflow and thus help our franchisees succeed, and this proved to be correct in the long run. As customer service improved over the years, we were to become more successful at finding work to an astonishing degree. This happened despite our policy—drilled into franchisees at training—to compete on quality, but *never* on price. So, we tended to be more expensive.

My whole focus was on my franchisees' success. I flooded them with jobs, support, and advice. I ran upbeat, helpful meetings. And as their income and enthusiasm grew, numbers began to rise. I continued my practice from pre-franchise days when I had shown prospective buyers the details of people who had bought from me in the past. Now I handed each prospect a list of current franchisees, with phone numbers, and it worked beautifully.

Andrew, Richard, and David 1989

Rather cheekily, I used this against VIP, who at this time were still our major rival. When people asked why they should prefer our system to theirs, I never spoke badly about them—that is a poor business practice that generally backfires. Instead, I simply gave them my list and invited them to see what my franchisees thought of us, also suggesting they ask VIP for theirs. I knew, of course, that VIP would not and could not provide such a list. Thus, my franchisees sold the franchise far better than I could.

One early inquiry showed the value of this list. Geoff had an excellent business background, and was well-prepared and well-spoken—all the hallmarks of the ideal franchisee. I told him in great detail how our system worked, but he was skeptical. So, I gave him the franchisee list and let him go. Over the next few weeks, he rang *everyone* on the list. I know, because they told me. He asked each of them the same question—"What's the catch?" The whole thing seemed too good to be true. At the end of this time, he came back and said, "I have come to the conclusion that there is no catch. Where do I sign?" He bought a franchise, made an excellent income, and sold out later at a 200% profit.

This kind of thorough investigation is one sign of a good operator. Such people will take the trouble to call existing franchisees, so the key to impressing them is to make sure the franchisees are as happy as possible.

Rapid growth began to affect our monthly meetings.

At first, the original few franchisees used to meet in my lounge room. Next, we added a second circle of chairs, and then transferred to a local church hall. The earliest meetings were no more than lively discussion groups. People would bring up difficulties and talk excitedly about how much money they were making. They also shared ideas on how to improve their businesses, rapidly developing far better ways of operating a mowing business than I had known in my years out in the field. Their enthusiasm was infectious. I would invite prospects to the meeting, and franchisees would fall over themselves to see who could take them out on a trial.

Sometimes I would get envious, too. I had ceased working in the field some months earlier while preparing the franchise system, although this time I had suffered no loss of motivation. Still, I thought seriously for a time about rearranging my schedule so as to get back on the road for a few days a week. In some ways, I also missed working in the open air. But a more powerful reason was to find out how much better I could do as a mowing contractor by putting some of these new ideas into practice! In the end, however, I was just too busy, and contented myself with spending as much time outside as possible, walking and running in the open air.

The meetings were a coming together of equals in many ways. After all, it was their system as much as mine. Some of them had helped draw up the contract, and others were helping to change it. For example, in the early days, territory rights covered only mowing jobs. One of the franchisees suggested that all gardening, rubbish, and similar jobs also be covered in return for a slight increase in fees. This was put to the meeting and adopted unanimously. Franchisees also pushed me to improve my invoicing. These are only two examples, but people would be astonished to know how much of our system was thought up by franchisees and later franchisors. Time and time again, the most efficient way to improve our system has been simply to listen. That is a key reason why I give my direct email and phone number to all prospects at training, even though we now have more than 5,000.

What surprised some newcomers was the robust way in which these opinions were expressed, including a great deal of direct criticism. Fortunately, I have thick skin and tend not to take things personally. Ventilating problems is healthy and often brings up good ideas. Even when I could not agree with a proposal, we would hammer out some sort of compromise, and the franchisees always knew they were being heard and could play a part in shaping the business, which helped build a sense of common ownership.

This robust style is still characteristic of Jim's today.

I regularly meet with franchisors and their elected representatives on our advisory committee, and also at general meetings. Some of these can get quite heated. Each franchisee or franchisor has the right to present any idea or criticism, and they always receive a response.

I could give hundreds of examples, big and small, of feedback that has shaped our system for the better. Not all suggestions result in changes, of course.

Franchisees can get angry at times, and I have to struggle to keep my answers even. A key part of our ethos is that anyone who pays you is a client and should be treated with respect, even when they don't always show the same restraint. We have the same policy for an upset client in the field. No matter how angry or abusive they become, it is *never* okay for a franchisee to respond in kind.

There are some limits to this. I don’t accept bad language from anyone at any time, and I will not tolerate abuse of my staff, especially those in the call center. They do not make policy and are simply doing as they’ve been asked. If anyone has a complaint about the system, they should take it up with me.

The ability to take criticism is also a key requirement for our franchisors. In a couple of cases, those with a genuine concern for their franchisees became defensive and shut down opposing voices. In the end, they lost their good reputation and had to sell.

Franchisee opinion was even more important in the early days when I wanted to change something.

I rarely made a change, whether allowed by the contract or not, without the backing of a clear majority of those attending the relevant meeting. A franchisee with a serious gripe would often be invited to come to a special meeting and have their say. A number of what seemed to be good ideas, such as the use of credit card symbols in our advertising, were shot down in meetings. This was because most franchisees at that time didn’t have the ability to take credit card payments. But generally, feedback from franchisees was positive and helpful.

We also experimented with the meeting procedure in those early days. At one time, in line with my egalitarian principles, I allowed franchisees to elect a committee and run the meetings on their own. This didn’t work out well, as they became dominated by procedural arguments that left no time for training. Franchisees began grumbling and attendance dropped, so, with general consent, I took control again. The focus went back to training, with a general business session to follow. This is pretty much how our meetings are still run today.

Because so many decisions are made by vote and referendum, some people get the idea that Jim’s is a democracy. It can better be described as a “consultative dictatorship” in which the core values of service to clients and service to franchisees must never be compromised. On the contrary—we must always strive to do better.

Chapter 8: Surprised by Fame

When my first franchisee signed in June 1989, VIP had 50 in Victoria and 200 more Australia-wide. Not long after, Bill Vis phoned his manager in Victoria to check out this new company that was starting to make waves. David wasn’t concerned.

“Don’t worry,” he said. “We can take care of Jim’s Mowing.”

He had reason to feel confident. VIP was first in the market, was very well known, and had far more money behind them. Yet by the end of the first year, we had 60 franchisees and were breathing down their necks. Today, we’re probably 20 times their size. The dangers of the kinds of complacency they experienced in those early years is a lesson I’ll never forget. It has helped fuel my obsessive drive to change and improve, never accepting any standard of service as good enough.

The reason for this growth was quite evident—my franchisees were happy, making money, and they loved the system. This also meant that it cost little to find them. All it took was a small ad in the Saturday paper, while VIP ran full-page ads in glossy magazines. We had to work much harder to find clients, to ensure franchisees were kept busy. I might add that the situation has quite reversed in recent years. It’s *much* easier to find clients due to the strength of our brand, and very much more costly to find franchisees.

In fact, the first time we spent any significant sum was at the Melbourne Franchising Expo in the spring of 1990. Even there, we had the cheapest display possible—a small booth with some green carpet, garden furniture, plants, and a couple of posters. To save on staff, I spent the entire three days running it myself.

The only drawbacks from that first expo were that some people came back several times to find me still busy, and by the third day, I was hoarse from talking too much. We signed up quite a few people as a result, but the cost of the booth meant that each franchisee came to us with a price tag of several hundred dollars—more than ten times what we normally spent.

I wore my usual Jim’s Mowing uniform for the exhibit while most other exhibitors wore business suits. And that was something I did from the beginning. I hate ties, so suits were never an option. But greens, as I called our uniforms, also made a statement. I was a mowing contractor by trade. I loved the business, I had done it for many years, and I took pride in it. Being a manager didn't change that.

I was determined not to give the impression that I felt superior sitting behind a desk.

These symbols were all the more important because I didn't have any particular knack for getting along with people socially. As I was intense and passionately focused on my business, I wasn't the sort of person to talk about football over a glass of beer, but at least I could dress as they did. Besides which, it was my way of setting an example. We strongly insist that franchisees wear their uniform at all times while working. This not only creates a better image, but makes it more likely the client will accept their quote.

By now I was starting to be quite famous, which was a real surprise. What made it even stranger was that people were getting to know the logo but rarely recognized me in person, especially after I shaved off my beard. Because I wore the same green uniform as my franchisees, they assumed I was one of them. When they asked me where I worked, I usually said "in Bayswater," which was the site of my office at that time.

Going into a butcher's shop one day, I was greeted with "G'day, Jim."

I said, "G'day."

He grinned. "Your name's not really Jim, is it?"

"As a matter of fact, it is."

He looked at me for a moment and then said, "You know, you even look like him!"

Or another occasion when I tried to enter a function in the city dressed in my mowing uniform, I was stopped at the door. "I'm sorry, sir, you can't come in. This is a business function."

I told them: "You'd better let me in. I'm the speaker!"

At one stage in the early 2000s, my wife and I were in a small group at church, where we met regularly with the same dozen or so people each week. It took six months for one of them to figure out who I was. He was hugely surprised! By then, my company had become a household name. Everyone recognized the logo, but without my beard, I simply didn't look much like it.

Another time, I was in an airport in Queensland when the lady behind the desk noticed my uniform and asked, "Are you with Jim's Group?"

"Yes, I am."

"Is there really a Jim?" A very common question.

I nodded.

"Well, have you ever met him?"

Uncertain how else to respond, I just smiled and walked away. I'd rather not be recognized in public!

But everything changed after the 2020 Covid lockdown, which I'll discuss in length later in the book. I appeared several times on national television during that period because of my particular stance, and that removed my anonymity. People started coming up to me in the streets, in supermarkets—everywhere. This could have been a worry, since my stance was not universally popular, but these meetings were always positive. They congratulated me for taking a stand and said they agreed. I was especially moved by the independent contractors, who could have seen me as a competitor, but who thanked me for standing up for them.

Even after the fuss died down, I could not go back to anonymity. Just recently, a lady behind the counter of the post office commented about being pleased to meet a "celebrity," as if I were Paris Hilton or Prince Harry! Another time, when I was waiting in the Emergency Room to see a doctor after my son broke his hand, a man recognized me and started talking to me. He was a roofer working for wages and looking at going into business for himself. Of course, I encouraged him and gave him a copy of my book. I always keep a box of them in the trunk of my car.

The most amusing case happened recently in the supermarket when a young man recognized me:

"What, you do your own shopping?"

I was amazed at his incredulity. Of course I do my own shopping!

It is often said here that Australians don't like tall poppies—people who stand out from the crowd. In my experience, this is not the case. What we don't like is people who are "up themselves"—thinking they're better than anyone else. We have no problem at all with people who are relatable and don't mind having a laugh at their own expense.

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The green uniforms and the limited marketing to find franchisees were all part of my instinct to put substance over display. That's why our trailers were designed for practical use rather than marketing. It's also why I drove old, decrepit cars, a subject of fascination to the media when we started coming to their attention.

Andrew 1989

The same applied to the office, which, for as long as possible was a primitive affair attached to my home. The way I saw it, we had limited funds, especially since we had started by selling franchises very cheaply. We could spend those funds on expensive advertising, displays, and office furnishings to attract and impress people—and I know some people bought from VIP because their offices were more impressive—or we could spend them delivering the best possible service to franchisees. We just didn't have enough money to do both.

There is also a matter of the kind of clients you are dealing with. A lawyer or insurance business may need to look impressive to show they are successful. But potential mowing franchisees might see such spending as a sign that fees are being misspent. And what tended to impress our prospects the most was a list of franchisees with contact numbers who could confirm that they were getting excellent support.

One area which I never stinted on was answering the phone. Our competitors used a third party to do this, simply paging out leads to the local franchisee in each area. The problem with this approach was that the local guy might be booked out or even not working, so a lot of leads were not responded to.

We took calls in our own office. We asked each franchisee to tell us whether they wanted to work and in which suburbs, knowing that this could change from day to day. When a call came in, there might be 20 people servicing the area, but only one or two who actually needed work that day. This meant that most leads were responded to quickly, and were usually converted into a job. Franchisees also liked the system because it gave them work when and where they wanted it, but not otherwise. And if the client rang back, we knew who had taken the lead and could page them immediately.

I was a fanatic about answering the phone promptly and would grab it myself in case of an overload.

The staff who worked with me in those days would run instead of walk to pick up the phone, and it's been part of our culture ever since. I can't express how valuable it was for me, as the boss, to get on the phones even when I didn't strictly need to. Direct contact with clients in this way led to a number of crucial changes, including putting our franchisees on pagers.

New employees didn't think I'd be actually answering the phone, and neither did the clients. They couldn't believe it was actually me answering the phone. "Jim here," I said when answering, and it seemed to frazzle them. "Yes, yes, I'm the Jim with the beard, the same Jim you see on the trailer." I'm just happy to keep wait times to a minimum and get them the help they need.

These days, the call center is in a different office with up to 50 staff, and I don't grab the phone myself. But I still go in almost every day, check the average customer wait time—under ten seconds is good—chat with the staff, and present awards to those who have done well. The call center has also become our main recruiting ground, with several call center staff now in responsible management positions.

Another result was a total revamp of the way we treated complaints.

There's nothing more motivational than hearing directly from an upset client, especially when you're the one ultimately responsible for the service they receive. Even though I'm not answering the phones, I still deal directly with unhappy clients by email. Staff have strict instructions to refer complaints directly to me if the client fails to get satisfaction the first time they ring.

Taking calls is a tough business, and I admire the people who do it full-time. But there is nothing more crucial to business than how you answer the phone. Getting people to call us is expensive. We spend whatever is necessary to keep from losing them.

Another area where we spent a lot was advertising for clients. Recruiting franchisees was easy. Back then, the challenge was securing enough leads to keep them busy. In those days, we spent not only their monthly advertising contribution on finding leads, but at least half the franchise purchase price. This, of course, was exactly why we didn't need to spend much on franchisee recruitment. Plenty of work and a good income meant that our people were keen to recommend us to their friends.

The key media changed gradually from leaflets to local papers and the Yellow Pages, and then more recently, the internet and social media. But one thing that has never changed is that the most cost-effective advertising is vehicle signage and a reputation for customer service!

In finding work, as discussed earlier, we benefited from a major change in public taste. In pre-franchise days, clients preferred local operators, who were seen as cheaper and closer to home. That was a lesson learned from the "Mr. Lawns" fiasco, and the reason why I tried so hard to avoid any corporate image. But with time, clients came to prefer a known brand, just as McDonald's overtook the hamburger joints of my childhood.

One reason may be that people understand the advantages of police checks—what Americans refer to as background checks—compulsory insurance, and an unconditional guarantee of work quality. Each year, we spend more than $100,000 fixing problems left by departing franchisees, which seems like a lot until you note that we service over a million customers a year.

But largely, it's because clients have learned that we provide a better and more consistent service.

Surveys show that our franchisees normally return phone calls promptly and turn up on time. They also show that our conversion rate these days is a remarkable 75%. This is all the more surprising given that we don't try to be cheap, usually recommending that franchisees quote at least 10% more than the going rate. This is one reason why it's not uncommon for franchisees who leave to decide to come back. The saving on fees is rarely worth the lower prices they have to charge to get the work.

Even in the early days, we saw more leads from branded ads. Some franchisees tried putting their own private ads in the paper but abandoned them as being unprofitable. In recent years, leads have become plentiful enough that, for some divisions in certain areas, we need very little advertising to keep everyone busy. The contract obliges us to spend the advertising contribution, typically around $150 per month, on finding leads, but spending that much would be pointless. Even worse, it would antagonize clients by advertising for leads we couldn’t possibly service.

In such cases, we must ask franchisees what they want us to do with the surplus money. It could be used for trailer stickers, or a conference at a luxury resort, or simply given back as a credit against fees. In later years, one group of franchisees was credited with more than $250,000 that we just couldn’t spend from their advertising fund. Some of them paid no fees for months!

The positive side of this is that most of our franchisees have all the work they want. The downside is that the number of unserviced leads has risen dramatically. In 2023, we said “no” to clients 217,134 times, which is about one lead in four, despite a rapid growth in franchise numbers. This isn’t great customer service, but we simply can’t grow fast enough to meet the demand.

Chapter 9: A Serious Mistake

Unfortunately, in the beginning, I never really counted the cost of what I did for my franchisees. The first few bought in at $6,000, even less than an independent business, but this was enough because in the beginning it didn't cost that much to find customers. The ongoing fees, however, amounted to only about 4% of turnover—including advertising!

Now, I have a number of strengths as a business owner, but accounting isn't one of them. Figures baffled me in those early days, and I really couldn't be bothered when there were so many more interesting things going on. This weakness almost ruined my business. The problem first raised its head when I hired a management consultant who worked out that we would need 150 franchisees merely to cover the costs of the office, a far cry from the 60 we had at that time. But obviously, with 150 franchisees, we would need to spend more on running the office! In other words, we were relying on sales rather than fees to cover running costs—not the hallmark of a good franchise system. Unfortunately, I merely filed the report and forgot about it.

At the end of 1990, the Australian economy tanked, and the weather—from a mowing point of view—was even worse. A lot of new work was going to established franchisees, so we were selling fewer new franchises than before. Belatedly, I sat down and worked out what everything was costing and what it was likely to cost in the future. My conclusions confirmed those of the consultant. If it weren't for franchise sales, we'd be broke. In fact, our ongoing fees were only about half of what they needed to be.

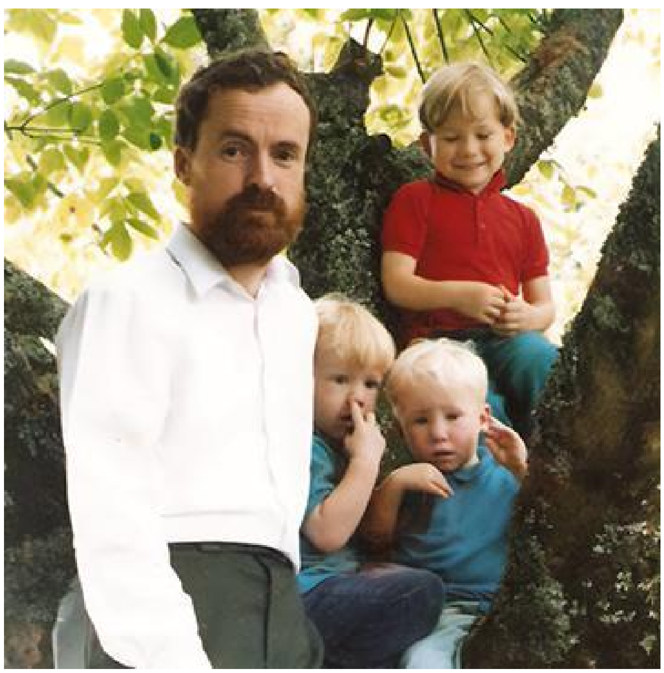
At the next franchise meeting, I presented the problem rather badly.

I told them that we weren't covering costs and were headed for collapse. Their reactions were mixed, to say the least. There were a lot of objections, particularly as some people thought we were misspending money. Others questioned the need to charge more than our competition. A lot of people asked to see the figures, which I had neglected to prepare—an oversight that didn't impress a group of people who together had far more business experience than I did. The meeting ended on a very sour note.

Some nights later, I had a long talk with Geoff, the "Where's the catch?" franchisee I introduced earlier. He had been trying to figure out how we could do what we did for the fees being charged. The problem was obvious to him after only a few visits to the office. He was actually very understanding of my problem and had no doubt that the system was worth the higher fees. After chiding me for my naivete in going before the franchisees so badly prepared, he advised me on how to put a presentation together. Step by step, we drew up a plan for a special meeting.

I did exactly as he said.

I created a written report detailing all our spending in advertising and each area of the office, and worked out projections month by month for the next 12 months. Then I offered to make some other changes to the contract that were favorable to the franchisees. There was an irony here—I had structured the contract so as to protect the franchisees from having changes forced upon them, and I needed the approval of 60% to make the proposed improvements. If I failed, so would the business. It all depended on this one special meeting.



David, Andrew, and Richard 1989

The night of the meeting came, and the hall was packed. I don't think we've ever had such good attendance before or since. This time, I was prepared. We handed out sheets of figures in advance. I made my presentation as clearly and persuasively as I could. It mainly showed that current fees were far below costs, and what fees would be necessary to cover costs.

One franchisee asked why we should charge more than VIP, which was the case in those days. I pointed out that most of our costs stemmed from taking calls and handing out work. This meant we could give work to people who needed it when they needed it, and not otherwise. It also gave us a record of who had serviced a client in the past, in case the client phoned back. In the VIP system, all calls were routed to a paging service paid for by the franchisees. If we did the same, it would be possible to halve our fees. For me, such a solution would have been a disaster. It would reduce support for both customers and franchisees. But I didn't expect it to be approved, and it wasn't. In fact, not a single person could be found to vote in favor. Clearly, our franchisees liked the service they were getting, which brought to the forefront the question of how to pay for it.

The discussion continued, with vigorous debates on all aspects of the issue, and strong feelings expressed. But comments were generally positive, and at the end of the meeting, the vote was overwhelmingly in favor of an increase in franchisee fees. No one likes fees, but our people knew they had to pay for what they were getting.

But this wasn't enough.

To change the contract, we needed 60% in favor, and not just 60% of those replying, but 60% of the whole membership. Bearing in mind that many people would simply not respond to such a request, I effectively needed close to 100% agreement from those who did reply.

As predicted, some people didn't respond. But eventually, we got 63% approval—a narrow margin, but enough. The new rate was in place, along with the other changes. I found it remarkable and heart-warming that only six out of a hundred or so responding franchisees had voted no.

This episode showed my weaknesses in a glaring light, though I was a long way from learning the lessons I needed. In the negative, of course, was my appalling neglect of accounting, including preparation of figures for a vital meeting. But on the positive side was a system that genuinely cared for franchisees and did everything possible to help them succeed. This had built a reservoir of trust I had need to draw on when the business was in danger. Also important was a willingness to listen and negotiate and take advice. Jim's Mowing owes a lot to franchisees like Geoff.

In making this mistake, I was stumbling in illustrious footsteps, though I didn't know it at the time. When Ray Kroc came upon the McDonald brothers' hamburger stand in 1954, he was selling milkshake mixers for a living. Years later, when some of his McDonald's franchisees had become millionaires, his only source of income was still the mixers. In fact, he focused so much on support and service that his franchise fees couldn't cover the cost. But successful franchisees drew more applicants, so many that he could afford to be selective. Eventually, he discovered how to make money out of it as well by owning or taking a head lease on the land under the stores.

A franchisor can make terrible mistakes and still succeed if the franchisees are the number-one priority and they know it.

I needed to live within my means, while still providing the best possible service to my franchisees. This meant an obsessive focus on efficiency and lowering costs. Luckily, I'm frugal by nature. Turning off lights and buying store brands in the supermarket is second nature to me, even now. But our systems were intensely manual and they required a lot of hands-on effort from the staff who communicated with everyone—franchisees looking for work and clients looking for help.

Our system for handing out work in those days revolved around a margarine container, a lunch box, and a billy can—in the US, you might call that a pail with a lid. New jobs were written on a slip of paper and placed in the margarine container. When we worked out which franchisee could take them, his code was written in the corner and the slip was placed into the lunch box. The franchisee would phone up to take the job, after which it was placed in the billy can.

It was a horribly ineffective system.

However, I was fortunate to have entered business in the age of computers. After we dished out a huge amount of cash, the programmers created what we needed. We asked franchisees to get pagers, and we sent them leads by simply typing the client's details into the new computer system. That program would then work out who to give the lead to, and it was sent with the tap of a keyboard.

The program continued evolving until it could allow franchisees to choose which services they wanted to offer, and over which area. For example, someone who liked landscaping could take landscape leads over a wide area and mowing jobs only close to home. We could recognize previous clients and send them back to the same franchisee. For jobs not allocated to a territory holder, we could send it to the franchisee who had had the fewest leads recently, thus making the system fairer. We could also check the spelling of street names.

All of this was far more efficient. We were able to answer calls quickly—even in a surge—and it allowed us to keep the call center in Australia, giving us the advantage of local accents and local knowledge of place names.

None of this came cheap, but it gave us an edge none of our competitors could match.

Chapter 10: My Fear of Flying

When my lawyer drew up the original contract, he put a space on the title page for "Jim's Mowing (Australia)" and one for "Jim's Mowing (Victoria)."

I asked, "What's this for?"

He said, "In case you want to set up branches interstate."

I just laughed.

My biggest ambition at the time was to survive in Victoria.

VIP was an established franchise network with 250 franchisees, interstate branches, an impressive office, and far more money. I had only set up my franchise system for fear they would wipe me out. The mere idea of expanding interstate was ridiculous. Registering two companies instead of one seemed like a waste of money, but I agreed to do it—just in case.

By mid-1990, the idea seemed less absurd. After one year of operation, Jim's Mowing had around 60 franchisees in Melbourne. I began thinking about interstate expansion, for a number of reasons.

First, I had spent a great deal of time and money developing the system, including the contract, the manual, the office system, television ads, and so forth. By expanding into new markets, we could take advantage of the work done so far. Second, the office was running so smoothly that I had time to spare. Third, our financial position was good, or so I thought. And in any case, the move ought to make a profit from the beginning.

With all these things in my favor, why did I hesitate? To put it simply, I was scared of flying. Going interstate would require a lot of travel. I could never board a plane without imagining the crash to come in great detail. This was partly for personal reasons and for my young family, but most of all, because of the Biohistory research project that was at the core of my mission in life. If I died, there would be no one to carry it on. Hopeless and absurd as it seemed at the time, somehow I had to create a strong business that could fund a major program of scientific research.

That fear was to dissipate over time, and mainly because my son, Andrew, became interested and involved in my research. Knowing at least someone would be able to carry it on if anything happened to me did wonders for my concerns.

My first effort to expand was to advertise in local papers interstate, do phone interviews, and then offer to fly people to Melbourne at my expense, bringing them to me instead of forcing myself to fly. This had modest success. I also made a general appeal to our Melbourne franchisees for anyone willing to relocate. They could take prospective franchisees on a route to try it out and to receive training, and under careful supervision, even sign them up. I would handle everything else by phone. Fortunately, or so it seemed at the time, I found three who were prepared to go, and we launched in Brisbane, Sydney, and Adelaide.

All three started work in October 1990. We organized local newspaper advertising and leaflet distribution for them, and the calls were diverted to Melbourne without a problem. Plenty of work came in, and the Queensland operator in particular was flooded. In fact, this was itself a problem. The Jim's Mowing system relies heavily on operators backing each other up, and if someone is busy, another franchisee takes the job. With only one franchisee in each city, our service levels were poor. More importantly, without local meetings and a local franchisor, each franchisee felt isolated and lacking in support. Thus, despite ample work, and in sharp contrast to Melbourne, most of them failed.

I felt responsible.

One option would have been to hire local managers, but I lacked the money and experience to run such an operation. Also, I was concerned that such people might learn the system and set up in opposition, taking local franchisees with them. This was a real danger considering our "walk out" clause, and especially given that the brand was not yet well known outside Melbourne.

So, I spoke to Phil, a highly capable franchisee who had moved from Melbourne to Adelaide, and offered him franchisor rights to the state for the sum of $10,000. Phil accepted and South Australia began forging ahead, with attrition dropping and sales rising. While this was going on, I got on the train and did a personal tour of three states, giving seminars on how to run a successful mowing business, as I had done in Melbourne in pre-franchise days. The evening concluded with a brief outline of my franchise system.

I was quite sure there were VIP people in the audience, and in one session I invited them to step up and say a word. No one accepted, though one of them introduced himself to me afterward as their local area manager. The irony was that, since I charged $20 as an entrance fee, my competition actually helped fund the trip!

But matters were about to take a turn for the worse.

The flood of work coming through in the summer of 1990-91 dried up during the worst drought on record.

Chapter 11: Blackest Day

No matter how I clogged the airwaves with advertising and the letterboxes with leaflets, we simply couldn't find enough work to keep our people busy. Combined with a Melbourne drought and a recession, I was going broke.

In those days, my contract still had an absolute income guarantee, so if earnings dropped below a certain level, I would top them up. But it also contained an "Act of God" clause, which waived this obligation in case of extreme conditions such as drought. So, in financial desperation, I invoked the clause.

This was the blackest day of my business career.

The franchisees felt betrayed, and I couldn't blame them. I had promised them an income, and now I couldn't supply it. I was right in terms of the contract, but it still felt wrong.

I went far beyond the contract in trying to compensate. Apart from other efforts, two franchisees who didn't feel able to survive were given their money back, but it was a long few months until the drought broke and our normal guarantee could be restored. Fortunately, those who stayed with us through this bleak period did very well. But I decided that I would never again let my franchisees down in this way, and the "Act of God" clause was struck from the franchise contract. Soon after this, we introduced the idea of paying franchisees to do free services for clients, which reduced claims and put our new people out in the field building their businesses. So, it was never again to be a problem.

In all this gloom, Adelaide was the bright spot. It was growing fast with a dedicated local franchisor, Phil, who fully lived my ethos of putting franchisees first. He came up with a host of new ideas that I was to learn from and imitate. At one time, Adelaide had more franchisees per household than Melbourne. It was encouraging that my system could work without my personal involvement. But at another level, it was humbling that other people could actually do it better than me. It's unfortunately true that I lack the personal warmth and people skills to be a first-rate franchisor.

Other states were launched in a similar way—New South Wales by one of my Melbourne franchisees, and Queensland by a man from the firm that supplied our mowers. That firm was Kew Mowers—owned in part by an irreverent Scotsman with a broad accent but the very un-Scottish name of Ron Sadowski. Ron had an unforgettable laugh and the habit of repeatedly telling the same joke, which wasn't even very funny in the first place! I liked him immensely, as did everybody else. He always seemed to be the center of attention.

Andrew and Richard 1990

I wanted to give my franchisees the best price on new mowers, so Ron and I made a deal that worked out great for both parties. Ron also arranged to do all of the servicing and repairs for Jim's in the area where his business was located. As he got to know the franchisees who came in to his business, they eventually talked to him about their work and how much money they earned. It was high enough that Ron decided he wanted in on it. He said he was seeing Jim's everywhere. So he got out of his business and started a Jim's Mowing franchise.

I eventually sold him the rights to Queensland for $75,000, with just a $25,000 deposit. Yet again, I underestimated the value of my business, as only a few years later, the Gold Coast alone was sold for $90,000. The Gold Coast is a very, very small fraction of Queensland—only 541 square miles, compared to the over 700,000 square miles that make up Queensland. Ron definitely got an excellent deal! He loved the Jim's system and was a regular at our national conferences. In fact, he loved it so much that he eventually took over the Brisbane region and ran it for more than 30 years.

One of the last states to be covered was Western Australia, where we held a meeting to introduce both the system and our new franchisor, Peter Ferry. Several people from the local Mowing Association were there, and the meeting became quite hostile. One of them mentioned a massive exposé of a mowing franchise that had just screened nationwide on *The Investigators.*

Naturally, we were shocked, so we went back to Peter's house to watch a recording on the TV.

To our great relief, it was VIP, not us.

In essence, a number of VIP operatives in Perth had become unhappy about the lack of support. They felt that several promises made in initial interviews had not been kept and they wanted to remove their clients from the system. They had taken legal action against VIP as a group and lost their case, so they'd gone on national television. It made for pretty grim viewing.

In fairness to VIP, it must be said that the problems in Western Australia were almost certainly confined to that state, and the relevant manager was soon replaced. All the same, the incident hurt them badly and must have cost many sales, as we were still hearing about it years later. Their struggles led to a few issues for our company because, as the only other major mowing franchise, some of the mud stuck to us. One prospective franchisee was even refused financing in Perth because the bank had "heard bad things about lawn-mowing franchises."

All this made a deep impression on me.

What happened to VIP in the west was a checklist of what to avoid.

This included overselling in the first place, ignoring signs of discontent, and using the courts to keep franchisees in the system—even making necessary changes without support, such as the move to pagers mentioned earlier. We require a great deal from our franchisees, especially in terms of looking after their customers. But franchisees are also our customers. They pay us to look after their interests, and we'd better not forget it!

VIP's situation strengthened my determination not to hold franchisees in the system by legal means. Even when we began charging a small fee for exiting the system, it was capped at $5,000, which was less than the cost of legal action. To date, this has never been tested.

While setting up the last region in Queensland, we were surprised to find that the paging company was charging more there than in the other states. After some weeks of effort, we managed to get Queensland down to our standard level, which was about half the commercial rate. It was the first time we had been able to use our status as a national company to negotiate a better deal—there was no benefit to us, but a major saving to franchisees.

Even today, companies regularly approach us with an offer of a commission if we promote their services to our network. Instead, we ask that they use the commission we would have received to give our people a better deal. If the deal is good enough, we'll promote it to franchisees through the newsletter or even by allowing them to set up a stand at training at no charge. We even give them lunch!

In one instance, a paint company had a great deal for our franchisees, but insisted on giving us a 10% commission on all sales. We took the money and channeled it all into advertising for that division. Soon after, we found an even better deal without needing to mess with a commission. In looking at other systems, franchisees often complain bitterly about being forced to buy from suppliers at inflated prices. I was determined to avoid that.

While working on expanding interstate, I continued with my research interests. I was pouring all of my energies into the business, but even so, I couldn't stop thinking about my goals. I got up before dawn to read and study, and, as often as I could, I went to Monash University to study primate social behavior. It had been five years since my PhD had been accepted, but I still hadn't progressed far enough in finding a business that would grant me the money I needed to perform the necessary research. So, I set up a DIY lab in my garage and started putting my ideas and experiments into a book.

That book, *The Hungry Ape: Biology and the Fall of Civilisations*, wasn't my best work. I self-published it soon after finishing it, and it got very little attention. But it helped me work out my ideas—it was basically an update of my PhD thesis, but containing new material. Honestly, I wish I hadn't ever done it, as the approach was taken by some to be supportive of eugenics, which is the belief that some races are superior to others.

This is abhorrent and evil, and I've never subscribed to such beliefs.

Eugenics is also truly bad science. Humans all over the world are, in genetic terms, remarkably similar. My approach was that differences between peoples—and changes over time—could best be explained by the way environment affects the expression of genes. This is called epigenetics.

To understand how this works, consider DNA as a series of little taps, which spit out proteins and thus affect behavior, personality, and so on. Epigenetics is when something in the environment turns these taps on or off, therefore changing the way genes function. Thus, two people could have similar DNA but a very different character, because of the way their genes are expressed.

Not much was known about epigenetics when I did my thesis. In fact, I had never even heard the term before. But once I learned about it, it helped explain a lot of what had puzzled me when I was writing my thesis.

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By this time in the company, we had a franchisor up and running in all six states, and it was time to get us together. I had gained a lot of motivation and new ideas from my contact with them, and they wanted the same privilege. So, all six of us arranged to meet for the weekend at a motel near Melbourne Airport.

Our first national conference was a major success. It was great to compare notes with others doing the same kind of job, to share solutions and learn from each other. As with newcomers to the franchise system itself, it's striking how much can be learned even from someone who has just started out.

Looking back, it's curious that almost every premise that drove our interstate expansion was wrong. First, there was my fear of flying that wasted both time and opportunity. Second, we didn't understand the true value of meetings. It soon became obvious that franchisees without access to meetings were far more likely to fail. Third, we set up local call centers all over the country and had to buy them back later when central call taking was shown to be better for service and more cost-effective.

Fourth, I grossly overestimated the risk of someone hijacking my business system.

I had no idea of how powerful the logo would become.

I also had no idea how difficult it would be to reproduce our culture, or how much would need to be invested in IT. Several competitors tried to copy our system. Most failed within a few years.

I'm astonished that Jim's survived the first few years, much less grew into what is now a successful company. One obvious reason for this success was that I managed to find and keep a number of exceptional people. Another was my determination never to compromise on core values, though this would be severely tested in times to come. And finally, I was never afraid to admit my mistakes, to listen to others who had better ideas, or to work to change things—I've always had a constant, obsessive belief that we could do better.

Chapter 12: Gathering Storm

There was no doubt by this time—the early nineties—that Jim's Mowing was doing better. A lot of this reflected my own personality—my enthusiasm, my creative mind, and my concern for customers and franchisees. But the course of the business was also affected by my weaknesses—impatience with details, lack of interest in accounts, and the common entrepreneurial failing of barging off into a new venture as soon as there are two dollars in the bank.

We continued struggling with the financial problems left over from the 1990-91 drought. I was taking on a lot of new franchisees and having a hard time with pay-for-work guarantees, even though they were scrupulously paid. I was doing all this while also computerizing the business and trying to expand interstate. Both these ventures were to pay off in spades later, but they didn't help cash flow at the time.

Even worse, my profits from previous years had been plowed into an overly ambitious idea for a holiday resort—a long-standing dream of mine. I'd always wanted to live in the country, and I'd be able to do so while running this tourist destination. Once finished, I hoped it would provide an income when my mowing business eventually reached its limits so that I could continue my research. I had purchased beautiful, rustic land in the country, paid for studies, applied for permits from the local Council, done a prospectus to appeal to investors, and built a demonstration cabin. None of this had produced an income or even made the land more valuable.

The problem was that I had totally failed to work out how much the resort would cost, how the spending would affect my cash flow, or how much money I needed to keep in reserve.

Nor had I recognized that holiday resorts were a business about which I knew exactly… nothing!

It got to the point where my overdraft was tens of thousands of dollars past its official limit, and there were huge debts I couldn't possibly pay. There's a peculiar icy dread that comes at such times, a feeling that was to become all too familiar over the next few years. I was desperate enough to toy with the idea of selling the business and getting out, which would have solved all my immediate problems since the business was worth far more than my debts. One prospective buyer even came to a franchise meeting where he was announced as such. What surprised and heartened me was the concern my franchisees displayed over a change of ownership. Obviously, they thought better of my business talents than I did. In the end, the buyer backed out, something for which I'm enormously thankful, though I might not have been able to bring myself to sell in any case.

Instead of selling, my response was to do not one thing, but a whole host of things. I got a loan from my father, having been careful to repay such loans in the past, then went cap in hand to the bank to extend the overdraft. This wasn't easy, as the banks had already started to tighten up their lending in response to a growing number of business failures. My own bank, the State Bank of Victoria, was shortly to be liquidated as a result of bad loans. Fortunately, my bank manager went to bat for me and was able to get us a sizeable term advance. To find the last $20,000, which was beyond his discretion, I took out a personal loan at another bank. My dedicated staff even agreed to a cut in wages, a kind of loan that I paid back when the crisis passed.

Then I tried a number of ways to build the business. One was to set up a cleaning franchise. The idea was to use the same system that had been so successful for mowing, including computers and phone answering. I registered the name "Sunlite" with a sort of sunray motif, since the Jim's logo was clearly related to gardening and would surely not work for a cleaning business.

This attempt failed.

Customers, mainly women, seemed to want a woman cleaning their house at that time, and I couldn't find my male franchisees enough work.

A more basic reason for this failure was that I had no direct experience with the cleaning industry and was unable to advise them. Fortunately, this became obvious after only two franchises had been sold, so I simply returned their money and shut the cleaning side down. We were later to succeed as cleaning franchisors, but this was done using the Jim's brand and run by people who already knew the industry.

I tried other experiments. We brought in a system of gift vouchers, began to allow credit card payments by having franchisees phone the office, carried out different sorts of leaflet distribution, bought mowing routes that could be resold as franchises, instituted phone canvassing, and much more. I also did everything possible to cut costs. We changed our call-forwarding system to a new type that had just come out, which was not only cheaper but less trouble-prone.

Realizing that the laser printer cost more than the photocopier, we switched our usage accordingly. We got rid of any advertising that hadn't drawn a response and redesigned the rest for maximum impact in the minimum space. I took the phones myself after 8 p.m. to avoid the higher staff rates required by law. I scrutinized every invoice and every check that went out of the office. In addition, the higher fees negotiated with the franchisees started to cover more of our operating costs.

We had always valued our clients, but in these tough times, they became even more precious.

Again and again, we tightened our procedure for handling clients, actively following up on complaints and contacting cancellations to see about rescheduling. Unhappy clients had to be made happy, and it became an offense to let one down in any way. We strengthened their position at the center of our business "culture," something that had lasting impact.

Training was upgraded. We had audiotapes made. We found franchisees who had flourished in difficult situations and asked them to teach the others. Some of their ideas included watching as they drove around for signs of work needed, such as a pile of rubbish in someone's yard. Also they started writing friendly notes on invoices so as to keep personal contact with clients who were never at home.

There were many failures, such as the "Sunlite" scheme. But the sheer volume of new initiatives made it likely that some would work, which they did. The great thing about the service industry is that you don't need to invest too much in finding out. If you fail, no harm done. On the other hand, one single good idea that works can make up for 100 that don't. What this requires, of course, is sheer dogged persistence like that shown by the inventor Thomas Edison, who tried literally thousands of approaches to find the one that worked for him.

After the grim drought, when grass had forgotten how to grow, the weather got better. Contractors who had been short of work started to fill up their days, so pay-for-work guarantees were less of a problem. Over time, the two initiatives that had helped plunge us into debt began to pay for themselves—the interstate franchises proved profitable, and the computer system meant taking on less staff as the office grew. By December 1991, the immediate crisis had passed. We were more efficient and had almost doubled in size over the previous year, which gave us the strength to cope with poor weather much better.

I had lost any desire to sell out and no longer dreaded going to work in the morning.

The business itself was in a sound financial condition.

Which was just as well because another problem was arising. I had loved being married, and for many years, my wife and I had been very close. After three boys, we had even managed to produce a daughter.

I was still working from home at this stage, and the children's range of ages was a delight. The little ones would sit under my desk, sometimes "signing" hundreds of bits of paper in imitation of my check writing. I drew letters in the sandbox for the older ones, starting them on reading even before they began school. I vividly remember the day when my second son, Andrew, wrote "rat" for me in the sand. His first written word! I also began to discuss things with them—like science, business, and ideas.

But during 1991, my wife became involved with someone else. I was terrified of divorce, hated the idea of leaving my children, and knew the devastation some of my franchisees had suffered in a broken marriage. I didn't want that for myself. But I would not and could not accept that she had a boyfriend. Lest this be seen as too one-sided an account, I am without doubt a difficult man to live with—obsessive, driven, and often blind to the emotional needs of others. It takes a very special woman to live with me, and it was to be many years before I found that woman in my current wife.

So, we separated.

And there began my greatest sadness—not being able to see my children every day as they grew up.

It's the sort of loss that no amount of "success" in business terms can remedy. This was not so bad in the beginning, since they lived close by and I saw them every Saturday. They loved the outdoors as much as I did, and we had fun damming up streams to create ponds and building fortresses in the sand to hold back the incoming tide. We also enjoyed building shelters out of branches and other materials. While I spent a lot of time with them and allowed them a great deal of freedom, I was still strict about obedience, determination, and taking care of our property.

As a way to teach them delayed gratification, I came up with a system where they'd earn a tick mark for all kinds of good behavior, including doing various chores. At the end of the day, the ticks could be changed into money—initially about 20 cents per tick—and when they had enough money, we'd go to the store, where they could buy things like video games. It worked quite well. The kids would even argue at times about who had the right to do a certain job!

I allowed the children to be involved in the decision-making process—maintaining a sort of democracy. I wanted them to develop an ability to make choices, so they got to vote on a lot of decisions, such as where we went on holiday and what food to eat. I also let them vote on which words would be on the "bad word" list and thus eligible for the "yucky mouth stuff" if spoken. This meant painting their lips with the vile-tasting liquid I used in a futile attempt to stop biting my nails.

If I really wanted to make a decision, I'd sometimes offer to give each person, including myself, a vote for each year of their age. Since I had more years than all of them put together, I would win. But one time I tried this, I'd forgotten there had been a few birthdays, so I ended up losing! It was probably about going to McDonald's or something.

When my kids weren't at home, which was most of the week, I missed them greatly.

I often walked past the house where they lived, as it wasn't far from mine, hoping to catch a glimpse of them. But I'm grateful that my business and staff provided emotional support. Jim's Mowing and my franchisees had become a crusade, and it helped give me focus and meaning, as did my long-term Biohistory goal.

Financially, the outcome was less fortunate. Our divorce agreement contained not only ongoing child support but also a substantial property settlement. The sensible thing would have been to abandon the resort project and sell off the land, using the money to pay off most of the settlement. The remainder would have been paid off over a year or two. Unfortunately, I still didn't really believe in the future of Jim's. Most of my income was from the sale of franchises in Victoria, which would clearly not continue forever—eventually, I'd run out of people. Therefore, completing the tourist project seemed vital to my financial future, especially given the marriage breakdown.

I arranged to pay off the property settlement over a period of years, and, to sweeten the deal, to pay child support well over the requirement. This meant that, for the next few years, around 90% of any "income" would go to my ex-wife, and I would be living in a very lean way. But at least Jim's Mowing would remain mine. Unfortunately, when dealing with the Family Court, I suffered from what may be called the "trailer effect." With 250 trailers on the road at this time, we seemed like a large and wealthy company, which was far from reality. There are a lot of advantages to seeming wealthy when dealing with suppliers and the public, but it was hell in the Family Court. The result was three separate legal actions to overturn the original settlement. On two occasions, a team of accountants combed through our records in search of the missing funds.

They found nothing, and I ended up paying about the same as originally agreed. A worse problem was the more than $100,000 in legal costs and massive disruption to the business, plus the strain of paying out the property settlement. On top of this there was an ongoing diversion of cash to the tourist project. I was well aware of the business principle of sticking to what you know.

However, in this case, I ignored it and suffered accordingly.

The project continued to drag on. Costs grew and grew, with nothing actually being started or built. Instead of financing the property settlement, as I had confidently expected, it remained a huge financial drain.

In the eyes of most people, the next few years were to be great ones. Jim's Mowing grew several times over in terms of size. We steadily improved the system and made a healthy profit every year. Yet against this was the hemorrhage of the tourist project and property settlement, and the ongoing trauma of the Family Court. And I had absolutely no idea of the real horror to eventually come.

Chapter 13: What Do We Look for?

About this time, a publisher approached me with the idea of a book. Jim's Mowing was becoming quite well known, and he reckoned there would be mileage in it. Thus, the first version of this book was born, with the help of a professional writer. *The Cutting Edge* and its successors sold only a few thousand copies to the public, but it became far more important as a kind of "bible" of the company.

I had developed very distinct ideas about franchising, particularly in relation to customer service and treating franchisees like customers.

We made a practice of handing out copies to staff and our best franchise prospects. It helped create a company culture and attract the right kind of people. Many new franchisees and franchisors have told me they were influenced to join because they liked the ethical standards expressed in the book, and those who joined for this reason tended to be the best.

However, in those hard times, the strength of such convictions was to be tested. Most of our income, especially in the early days, came from franchise sales, and the greatest temptation a franchisor can face is to take on people who aren't suited to the business. In fact, people with enough money to buy a franchise tend to be above average in terms of character and motivation, but certainly not all of them, and those who aren't are the ones who fail.

Back then, most of my rivals seemed to have no selection system at all. I had quite friendly encounters with my VIP counterpart, Bill Vis, over the years, and in one of these, he freely admitted that his system was one of self-selection. A joke in the franchising industry is that you select franchisees through a "mirror test." Hold a mirror to someone's face and if it fogs up, you sign them—basically, sell the product to anyone who's still breathing. This was put in another way by a former salesman for a rival franchise. His employers' criteria for selection, as he put it, was "$50,000 and a pulse."

My policy for selecting franchisees was an ethical choice rather than a business one.

But as is the case surprisingly often, a decision based on doing the right thing turned out to be very good for business.

With time, it became clear that careful selection was a major driver for success. Not only was our highly selective system doing better than our rivals' systems, but also, within our network, franchisors who were more selective tended to grow faster.

So, what do we look for? It's probably easier to list what we *don't* look for. For starters, we don't necessarily look for a certain age. Even though our franchises mostly involve physical effort, people in their fifties are just as successful as those in their thirties. One of our most successful franchisees recently retired at the age of 78, and he's still working with the guy who bought his business!

We have some problems with single men under the age of 25, but this is more an issue of character and lifestyle than age. Young people can be among the best, but they need to show some evidence of dedication and commitment in their earlier working lives. For example, at one time I was approached by Jason, an unmarried 23-year-old who held a responsible position and had paid a deposit on a house. Jason not only succeeded as a franchisee, but later became one of my top franchisors. After a period away, he recently came back to launch our scratch and dent division. (Scratch and dent focuses on cosmetic car repairs.)

Experience working on lawns and gardens is irrelevant.

It's easy to teach someone how to prune a rose bush. It's much harder to teach them that, if they are due to prune a rose bush and have been held up, they must phone the client and let her know. A good prospect knows this automatically and hardly needs reminding. A poor one may never pick up the habit. The same thing applies to most franchisees. We allow for lack of experience with equipment, but not for a poor attitude toward quality or service. Mainly because poor work skills can improve, but poor character does not.

Work experience is useful, but in a different way. We look for a professional background, either in sales, a management or supervisory position, or any other role that requires communication skills, persistence, self-discipline, and motivation. Trust is also a very important requirement for people who go on private property, often in the absence of a client. We reject anyone who shows signs of dishonesty—for example, boasting of a smart deal at someone else's expense. And of course, we do a thorough police check. One applicant had clearly been a professional burglar until a few years earlier. He may have turned over a new leaf, but with my franchisees depending on our reputation to keep the work flowing in, we couldn't take the chance.

Listing qualities is easy, but judging them is harder. A brief talk on the phone serves to knock out the least suitable applicants. Good prospects will speak well, show quiet confidence, energy, and courtesy, and ask intelligent questions. They will be careful and exhaustive in their inquiries. They will often ask to speak to our franchisees, and they also check out the opposition. In our first interview, we look for tough questions and a cautious, critical attitude. There's also the trial process discussed earlier, where we take them out with a trainer and evaluate them doing the actual work.

The system is designed to make it easy to fail. We pay trainers the same whether they recommend a prospect or reject them as unsuitable. If they recommend them and the prospect fails as a franchisee, we might ask them questions to help us make better decisions in the future. "What was the trainee like? Was there any behavior that could have raised a red flag?" I told my trainers: "When in doubt, say no." And there is no second chance.

All this may sound obvious, but it shocks those who fail.

One man in this position was "Paul." He seemed fine over the phone and during his interview. He went out with one trainer and was given a good report. He went out with another and failed. His quality of work, particularly in mowing straight lines, was simply not good enough. But the problem wasn't that he did it wrong the first time—it's that he didn't improve when shown how to do it right. The flaw was in attitude, not in ability.

I phoned Paul that evening. He was upset and incredulous. He had succeeded in everything he put his mind to. He couldn't believe we would reject him for something like mowing lawns. It took a long and emotionally charged conversation to convince him that we had. Rejecting people is tough, but it's part of keeping faith with our existing franchisees. They have something to gain from taking new people on, since having more franchisees in an area increases awareness and advertising and tends to bring more leads per person. But this only applies if the new franchisee is good.

Rejecting people on entry is a lot easier than asking them to leave later on. Failed franchisees are people we have worked with and known for months and even years.

There's a terrible sense of failure in advising a franchisee to sell, especially if you know you shouldn't have signed them in the first place.

Our figures show that more than 90% of franchisees are happy with their income and 88% complete their first year, compared to only 5-10% of people who start independent cleaning and gardening businesses. And of those who leave, only about half do so because of insufficient income.

But to start and fail is damaging. It can put homes and even marriages in jeopardy. This is not to say we're always right in rejecting people. One young man I rejected in Victoria took a franchise interstate and did excellently. He confronted me on my next visit, furious and keen to show me how wrong I had been. I was delighted to have been proved wrong and told him so. But I would still rather err on the side of caution.

We've always focused much of our time on customer service, but one spring in the late nineties, complaint calls were especially bad. The weather had been good and mowing calls were flooding into the office, which, as usual, caused a rise in lateness complaints as franchisees became overloaded. With the problems we were having, I decided to see how bad the overall situation was by getting a printout of complaint numbers. The overall figures weren't too bad, but I noticed something else. I was taking only 3% of calls in the office, but logging around 10% of the complaints. Unless some gremlin had been sending all the unhappy clients my way, something strange was going on.

I checked with the staff and found that their idea of a complaint was rather different from mine. They were doing a fair bit of interpretation and not logging complaints that seemed trivial or where the franchisee might not be at fault. I asked them to log *all* cases of poor service from then on, even follow-up queries where the client wasn't at all upset. Immediately, the recorded complaints jumped to a level even worse than I had feared.

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This was upsetting, and I was determined to do something about it. It took a lot of back and forth, but, eventually, my franchisors and franchisees came up with a scheme of monitoring and feedback. Within six months, our complaints level in Melbourne dropped 80%, with most regions also seeing improvements.

Even with more stringent reporting measures, most franchisees appreciate the new system.

They know they're negatively impacted when a fellow franchisee performs a job badly.

They also know that if there's a complaint, I'll do my best to help them with the client to get it resolved. If no resolution can be reached, I'll delete the complaint if the franchisee can show they did everything in their power to make the client happy.

With all the tens of millions of jobs we have done over the years, only one client that I know of has ever taken a franchisee to court. This was a case where expert opinion showed that the franchisee's equipment could not have caused the damage the client was claiming, and we fully backed the franchisee. When the magistrate weirdly ruled against the franchisee, though for a fraction of what the client was claiming, *we* paid the judgment.

We always bear in mind that franchisees are our primary customers.

Chapter 14: International Expansion

All these policies were paying off. Tougher selection and more incentives meant that our quality of service improved, which built our reputation with the general public. This in turn led to more calls, so our franchisees had more work and were more content, which made it even easier to sign more franchisees.

As my time was split between overseeing my own franchisees and ensuring quality customer service across the whole company, I was no longer able to devote a satisfactory amount of attention to the franchisors. It became apparent that I needed to find a manager—someone who could talk to franchisors regularly, respond to their problems, act as a liaison with finance and other head office departments, and make sure franchisors were providing good service to franchisees. This proved far more difficult than I expected, and I had several people hold the position for brief periods of time. I was coming to the conclusion that it would take a very special sort of person to work alongside me.

In 1994 I found that person in Ron Goldsmith, one of my top franchisees, who started as training manager and quickly made state manager when he proved capable. This was a key lesson—that the best manager for franchisees is usually someone who has been a franchisee themselves. Our culture is so distinct and our operation so complex that outsiders find it difficult to adapt.

In any case, Ron lifted a huge burden from my shoulders.

Until then, most of my energy had been spent in my region—overseeing staff, interviewing, and talking to franchisees in the evenings. Ron's focus in this area meant that he paid for himself in increased franchise sales, and it also meant that I freed up a little more space in my brain for the weekends with my children. I always prioritized that time, but not needing to worry so much about the business really helped relieve stress.

The kids and I had come up with another favorite pastime exercise—I told them stories, which we continued every weekend. We started this while building a "temple" at the beach—basically a sandcastle. I made up a story of how the children were living in ancient Egypt and found a mysterious temple in the desert. The temple made them immortal and able to change their appearances to fit in with different peoples. This led to a whole series of stories where they journeyed together through all parts of the world: Egypt, Israel, ancient China and India, Greece, Rome, the Middle Ages, and so forth. Eventually, we reached the modern age and continued on into the future, including space travel to different planets.

The theme was always the same. They'd arrive as travelers or refugees in a humble position and had to rise and become successful. And then as it became impossible to hide their continuing youth, they would be forced to flee and start again somewhere else.

The stories always featured hard work, achievement, and success.

These stories were hugely popular with the kids. On car journeys they'd always beg me to tell another one, which I'd sometimes put off because it really was quite challenging to create them!

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Ron's involvement during this time also freed me up to focus on the wider business. This was, in itself, quite exciting. One of the greatest things about growing a business is that your role as owner changes with time. When we started, I mowed the lawns. Then I organized other people to mow the lawns. Then I trained other people to help me in the office. Now I could focus on ways to improve and build the business virtually full time. And while I sorely missed my outdoor lifestyle, especially at first, each step up the ladder was more interesting and challenging than the one before. As I said earlier, business is like a vast, complex, endlessly intriguing video game, but one you get paid for playing!

By 1993, Jim's Mowing was in every state apart from the Australian Capital Territory, and we were starting to cast our eyes over New Zealand. A volunteer went over from Adelaide and quickly sold four franchises. Work came flooding in. By Australian standards, it was amazingly easy to find. But by the time I went over some months later, that volunteer was demoralized. Sales had stalled, and he was running out of money. He was sitting at home, waiting for the phone to ring, thoroughly depressed—which in turn made further sales almost impossible.

I suggested he get some equipment and go out on the road, since he had been a successful franchisee. That would solve his financial problems and make it easier to sell franchises, since he could show prospects what the business was about. All of this, plus exercise, should solve his morale problem. But matters had gone too far, and he didn't want to extend himself by buying equipment. A short time later, he gave up and went home.

In a way, he made the same mistake I had made back in 1982.

That was when I had sat in a beanbag reading science fiction while my business went down the tube. Since then, we try to make sure that new regions start with the franchisor acting as a franchisee. Only once they have at least 20 people signed can they afford to stop doing the work themselves. We have found in recent years that franchisors who do this tend to be able to focus more and grow their numbers faster.

None of this helped our situation in Auckland. Here we were with four franchisees we couldn't possibly desert. So, I had to look after them long distance, which cost a heap of money and trouble. The franchisees were upset and felt neglected, even though in the end I wasn't even charging them fees. For 18 months, we ran New Zealand over the phone, with one of the franchisees allocating work from his mobile.

Meanwhile, I made it known to my best franchisees that Auckland was available. Eventually, two of my Melbourne people, Malcolm Wallwork and Kevin Clarke, raised their hands. I offered them Auckland on no deposit, to be paid back out of sales, the sweetest deal anyone had made for a region up to this time. I was that desperate to have someone competent in place.

They did not disappoint, and numbers steadily grew.

There were a lot of problems in the beginning, mainly because our four franchisees were used to going their own way. In the end, two of them left while the others adjusted to the new regime, and one ended up taking on franchisor rights for another area. What made it better was that work was still easy to find. We would do a leaflet drop and be flooded with calls. People would often come up to franchisees in service stations to book jobs. So the franchisees were happy and recommended us to their friends.

Finding franchisees there was a lot harder. We were charging $12,000 for a franchise, which was less than in Melbourne, but it seemed to be causing issues. Malcolm and I had regular phone conversations during this time to work through the problems.

"Jim, at first, I didn't think sales were affected very much by the purchase price, but now I'm starting to wonder," Malcolm said one time.

"Drop the price to $6,000," I said. "And offer terms on the rest. See if that kick-starts sales."

"But we need the money to find work for our new franchisees. It pays for advertising."

"There's plenty of clients, though. You said people are approaching your guys, wanting services done for them as well, right?"

"Yes."

"Then don't worry about the money."

"Okay, I'll give it a go."

He did, and it led to a pretty good response. Soon there were enough people in place to make sales a lot easier. We were a recognized force in the market, though well behind Greenacres, our competitor, which had several hundred mowing franchisees at that time. And, as usual, we benefited from the fact that our franchisees tended to be happier than our competition's. Still, the issue of pricing gave me a lot to think about. The actual pricing of franchises in our system is a franchisor decision, but I tend to advise a lower price when work is plentiful and we are really keen to attract franchisees—as is often the case in recent years.

The opportunity to try lower prices came when we started out in Christchurch, New Zealand. Mike and Carol Strettle were franchisees from Queensland, Australia who had taken up one of the partnership agreements we were trying for new regions. They agreed to learn from the Auckland experience and went in with $6,000 franchises, only raising the price to $8,000 when the first 25 were sold.

The results went far beyond our expectations.

We signed more franchisees in six months than our three nearest competitors had in six years—combined. Within a year, we had 43 franchisees on the South Island. Relative to population, this was a 50% better penetration than we had achieved in Melbourne in more than eight years. Over time, New Zealand became localized, with Kiwis in control, but we owe a great deal to those first pioneers.

By now, we were spreading into the last corners of Australia, including areas I would never have thought possible because of limited population. Regions were set up in the far north of Queensland, in Townsville and Cairns.

The pioneers there were Lloyd and Shirley Moodie, who had picked up my book at their financial advisor's office and loved the ideals in it. They became two of my favorite people, combining sheer human decency with good business sense and a talent for innovation. And when Peter Poke took up the Australian Capital Territory Region, our coverage of Australia and New Zealand was complete.

Chapter 15: Rock Bottom

All this expansion and the growth of my own region brought yet another problem—we were running out of office space. I had operated my business from home in the eastern suburbs of Melbourne for as long as possible. I dislike driving at the best of times and absolutely hate commuting. Also, my children were young, and working from home before the divorce had allowed me to spend much more time with them and less money on rent.

Eventually, though, it all got a bit too much. Neighbors started complaining about parking, and there were a lot of things we couldn't do for lack of space. After the divorce was finalized and my children were no longer with me, I bit the bullet and took an upstairs office. It was also in the eastern suburbs of Melbourne, in a small row of shops, with 80 square meters of space. (About 860 square feet.)

But the business kept growing, and 80 square meters soon became insufficient.

We began spreading through the row of shops—first opening a hole in one wall, then the other, then downstairs. Not that the landlord minded, of course, since he had a number of vacancies. By mid-1995, though, we were again impossibly cramped. There were cables lying all over the place, and anyone who tripped was likely to crash the entire computer network. Added to this was background noise at airport levels and no air-conditioning.

So we started looking. My main concerns were space, location for staff convenience, and price. I had rented a house within walking distance of the current office and was happy to move near the new one as well, but my people were less mobile, and I didn't want to increase their commuting time. I set up a big map and marked it with a sticker where every staff member lived. The center point was Wantirna in the eastern suburbs of Melbourne. We began looking for a place within ten minutes' drive of that point. Fortunately, ours is a phone office, so location wasn't an issue for customers.

Eventually, we found the second story of a building by a railway line in Bayswater. It had long been out of use, and vandals had daubed paint over many of the panels. Still, it was air-conditioned and had enough parking and plenty of windows. We stood around and listened to the trains go by, and the noise wasn't a problem. Also, it was cheap.

So were the furnishings. For a long time, my own chair was a Telstra reject with padding bursting out of the arms. Every now and then, a staff member would take it away and leave a more respectable, but less comfortable one, so I would hunt around and get my old one back.

These days, I sit on a round purple ball.

It is better for my back but not most people's idea of executive furniture. My car at the time wasn't impressive either. In fact, late 2022 was the first time I ever bought myself a new car—I wanted to go electric.

Maybe it's a pet peeve of mine, but I believe fancy offices in startup businesses can do more harm than good. I knew a young man with enormous drive and energy, good people skills, and an excellent idea. He had launched his business with great success but was now floundering in a sea of debt. Ironically, much of it was the result of quite unnecessary spending, including impressive office furniture. Like many others, he would have done far better with a mobile phone and a desk in the spare bedroom, until cashflow was strong enough to support a more upscale look.

This is the same strategy Jeff Bezos followed in the early days of Amazon, including such oddities as desks made from doors. His famous frugality made ultra-low prices for customers possible. Our frugality made the best conceivable support to our franchisees possible.

Frugality may have fit with my beliefs, but it was also vital for our bottom line. At this time, we were moving toward yet another of my periodic financial crises. This was ironic, since by late 1995, our marketing campaigns were working well. The weather had been excellent for us. Grass normally dies off in the Melbourne summer, but we had enjoyed three green years in a row. While in the past I had refused to take on franchisees in some areas for lack of work, now our key problem was signing enough of them.

This had serious financial implications. We were selling as many franchises as ever, but most sales were now resales or "splits," in which a successful franchisee sells off part of their business. Splits were great for the franchisees, many of whom were earning back far more than they had ever paid in fees, but far less lucrative for the office. We only take 20% of resales and splits, much of which goes into expenses.

Even the increase in fees wasn't quite covering our operating costs, which included a heavy investment in IT and would eventually pay off in improved efficiency. So, at that time I needed a good level of franchise sales to keep afloat. This wasn't a healthy situation to be in.

The failure of these schemes only added to a mood of impending crisis in 1995. The one huge positive in my life was contact with my children, who were my greatest joy. It's a sad fact that I tend to get along better with children than adults. For a little while in mid-1995, when my ex-wife had some difficulties, I was even able to look after them about half the time. We did all kinds of activities together, such as buying hot bread from the local bakery, telling more stories, having tickling fights, and Dad acting as a monster. It was like being a real, full-time father again.

But the money problems continued to worsen. I had been forced to sell off sections of my own Victorian region to successful franchisees to fund the property settlement in previous years. They did well, but selling them reduced my own income still further. I even tried to sell off the national rights to a consortium of franchisors, since the national office made only a fraction of my income but caused most of my headaches. Fortunately, they didn't see the potential and once again I was saved by blind luck, from a very bad decision. I wish the same could be said of all my mistakes.

Things were made even worse by the failure of a second, very brief marriage. Lonely from my first divorce and driven more by passion than sense, I had chosen badly. My new wife had a mild nature and simply couldn't cope with me. Toward the end, she was living with her parents most of the time. Later I had an equally brief third marriage, which was better for me but clearly not for her, and I simply couldn't dissuade her from walking out.

As someone who had always assumed he would be married for life, these failures left me with a terrible sense of shame.

My marital problems eventually put an end to the iconic beard. In my late forties, it was going a bit gray, and that wouldn't help me to find a new—and hopefully more permanent—wife. So off it came.

By October 1995, I was in trouble. I had no reserves and no capacity to borrow any more money. My own living expenses were cut to the bone, and I didn't spend much even at the best of times. I still don't. Week-to-week survival depended on the sale of franchises, which was dropping, and we were coming up to December/January, which at that time were the slowest months of the year in Australia. Nobody wanted to buy a franchise just before our long summer break, which they would normally take off to spend time with family.

Of course, by this time the survival of Jim's Mowing wasn't in doubt. It was profitable and could have been sold for well over the value of the debt, but I desperately didn't want to sell. I loved the business—I thoroughly enjoyed the challenge and excitement of it all, and I was beginning to have some idea of the opportunities opening up. After all, we were now an international business. We were neck and neck with VIP, and VIP was at this time the largest lawn mowing franchise in the world. Moreover, we were growing much faster.

We were doing something that no one outside Australia seemed to be doing—organizing the home service market in a way that delivered better service to customers and a good income to franchisees. We had invested heavily in technology, with the prospect of offering better service to franchisees at a lower cost.

One obvious but painful step was to let go of the tourist project. I had put so much money and passion into it, and it was my long-term dream to live at least part-time in the country. In fact, it was to be decades before I could again purchase a rural property.

But there was really no choice.

Another consequence was far more damaging. My business was barely surviving, but my ex-wife couldn't believe this, as the number of trailers kept on growing. I was paying her child support at a considerable sum, but she wanted far more. By this time, the property settlement had been paid in full—$700,000—and she had been living off it (far better than me) rather than buying a house. So, in an effort to get more child support, she cut off all access to the children.

The period that followed was the worst in my life. The legal costs were horrific, but the emotional trauma was far worse. I was devastated by the loss of my children, shutting away all my pictures of them in a cupboard. The sight of a father with his children filled me with pain. I had to occupy my mind every minute of the day, reading until late at night so as to be overcome with exhaustion. Then I dreamed of my children, who were always happy and delighted to see me. I woke at 4 a.m. night after night with a terrible sense of loss, unable to go back to sleep.

As the matter progressed, my ex-wife accused me of child abuse, saying that I had failed to provide any form of discipline or control. To support this, she found a psychologist I was required to speak to who was running late and could only stay for about ten minutes. I spent that time showing the psychologist the "tick book," how I recorded the kids' chores and good deeds, and how I dished out appropriate rewards. The psychologist then wrote a report saying that I was indeed abusive, but because I was overcontrolling the children! At no time did she ever ask the children for their view.

It took me 18 months to persuade the Family Court to let the children be seen by a competent psychiatrist. He quickly determined that they had only one problem—they were upset by not seeing their father.

I tried to visit the children at their school, only to find that my ex-wife had taken out an intervention (restraining) order, and the police were called to escort me off the premises. The real irony is that, during this time, as I later found out, she often left the children in the care of an emotionally violent male friend.

None of this counted, and nothing could speed up the endless delays of the Family Court.

Apart from rare, monitored meetings under conditions of unbearable stress, I didn't see my children again for more than two years.

Chapter 16: Helpless Grief

This was the blackest and most terrible time of my life, far worse than my struggles starting out in 1982. The children's legal representative made it quite clear that money was the only issue. But if I sold the business to pay off my ex-wife, I'd be back to mowing lawns and could never hope to satisfy her when she'd run through the cash again. So, there would be another legal case, with no money to pay lawyers this time, and I'd never see my kids again. Giving up was not an option.

Also, I believed in Jim's and what we were doing. I didn't think anyone else would care for my franchisees the way I did, and beyond all that was the dream of my Biohistory research. My life had a purpose and a mission, and nothing would stop me from pushing ahead. This sense of mission also gave me the ability to keep driving the business, in spite of the disaster of my private life. Staff were wonderful at this time, giving me all the support they could.

I've seen so many men destroyed by problems with their family life. Divorce and separation from children are the worst things that can happen to any businessperson. Previously competent business owners end up falling apart and failing to phone clients back or even get out of bed in the morning. I half feared that something like that could happen to me. But it did not because my business kept me going.

Finally, my ex-wife gave up, accepting only a very small increase in what had previously been agreed to. My children came back, and we resumed our joyful visits. One of my sons, who had been suffering emotional problems, improved so much that he no longer needed to see a counselor.

I'd like to say I've forgiven my ex for what she did. I've tried, but quite simply, I cannot.

Even now, many decades later, I still sometimes feel that helpless sense of rage and grief.

I still analyze what I could and should have done. I should have cut off or delayed child support payments and forced her to negotiate—my children would not have starved. But I was never even a day late.

We haven't spoken since the end of access visits. Maybe if one day she apologized sincerely, I might be able to forgive. But never will I forgive the Family Court.

And yet, through all this trauma and beyond it, the business kept advancing. I began to learn the lessons of financial prudence. In the past, when I had needed money for property settlements or the tourist project, I had simply signed a check, regardless of the looming bills. With the property settlement finished and the tourist project shut down, I limited myself to regular withdrawals. We began to contact franchisors and franchisees who were behind in their fees, thus bringing our debt under control. But we also tried to offer them better service by responding more quickly to their requests.

Chapter 17: The Iconic Logo Is Created

These days, I try to meet every new franchisee at induction training—the formalized training we'll discuss later. At the end of my first talk, I write my mobile number and email address on the board, urging them to contact me at any time for any reason. It might seem that making myself available would soon overcrowd my day, especially since franchisees might even reach out to me for urgent help when their own franchisor is out of contact over the weekend. But in reality, the main struggle is to get franchisees to contact me at all. My most painful conversations have been with franchisees who want advice on getting out, and I find there was a past issue I could have helped with, and perhaps kept them from failing.

Contact with franchisees is the single biggest driver for changes to the system, followed by contact with unhappy clients.

They constantly push me to do better because I see every unhappy franchisee and every dissatisfied client as my personal responsibility. How can we change the system so such problems no longer arise?

These conversations can be immensely rewarding at a personal level. I will never forget the mowing franchisee who called me at the start of winter, in serious trouble as his leads had died down. I quickly found out that he wasn't upselling extra services, and I challenged him to do this at least once with every client. In spring, as work was picking up, he rang to thank me. Without that call, he said he would never have made it through that first hard winter.

In another case, a young couple was struggling badly in their first month. By changing their suburbs and services, I was able to have them booked solid within hours, and they had to ask my advice on how to turn it off.

More changes we made during this time included requiring a second form of contact from clients, which made it easier for franchisees to get in touch with them. We also updated the system so franchisees could offer same-day service to leads even as late in the day as 3 p.m., and we elected an advisory committee of franchisors. This committee had no formal powers in the beginning, but now, most advisory decisions tend to become company policy.

Listening to franchisees also helped me make major changes to the system.

One problem I found was that some franchisors, though keeping to the letter of the contract, were not treating franchisees well. They failed to listen and attacked anyone who challenged their authority. The lawyers who developed the contract had warned me I was giving franchisees too much power. I decided the solution to these issues was to give them even more. So, I changed the franchisee contract to give franchisees the right to change franchisors if they wished. The other franchisor had to accept them, which they almost always did, but their own franchisor had no say.

Even more drastically, I gave franchisees the right to completely vote out their own franchisor. This was done through a confidential referendum, in which the franchisor would not know who voted which way. The franchisor was given three months to win back support, to be followed by a second referendum. If the franchisor failed, they were removed from management and given six months to find a buyer. This provision also applied to myself, since I later bought back the rights to some regions—though there was no real risk of me being voted out. If franchisees are not happy with a manager, we'd quickly replace them. We also gave franchisors, and then franchisees, the right to veto changes to their own manuals.

These were radical and unusual steps, which aren't offered (so far as I know) by any other franchise system in the world. But they had a massive impact on company culture. This was reinforced when we introduced confidential franchisee surveys in later years that happen annually. Franchisors, including myself, need to work hard to keep franchisees happy and treat them like valued clients. It is a form of servant leadership, best exemplified by the story in John's Gospel where Jesus washed his disciples' feet.

As I've said, listening to franchisees results in changes happening. Another example: in 2019, a franchisee from Perth told me he had been refused service by a supplier. Asked why, he was told that another franchisee had failed to pay his account, which meant the company would not supply any of our people. This franchisee suggested that our manual be updated to require franchisees to pay suppliers. If they did not, they could be in breach of contract.

I liked that idea, and we put it to referendum. It passed overwhelmingly. It has since proven remarkably useful, including in cases where one franchisee failed to pay another.

Rarely does a week go by without some valuable idea coming to me from our 5000+ entrepreneurs. The main problem isn't that I'm flooded, but that too few pluck up the courage to contact me. They often think I'm really busy. In reality, it is an exceptionally productive use of my time.

Another early decision was to update the logo.

The committee felt we could do with a cleaner and friendlier look.

And so my staff prepared one based on a smiling photo. Smiling into cameras is not my strong point, and in the end, someone had to pretend to stick his tongue in the photographer's ear to get me to do it! If you wondered why the "Jim" in the logo is smiling, now you know! By the way, if you google "Jim Penman images," you can still see that picture of me, with a beard, against the backdrop of a trailer with the old logo. I'm including it here, so you don't need to Google it.

The logo drawn from this photo is the one we still use. See it here:

During this time, we formalized our training for franchisees—hereafter referred to as induction training, or the induction course. We also started a formalized training for franchisors and again increased our support for them. Divisionals were introduced at this point to help manage a company that was growing quickly.

Chapter 18: What Will They Franchise Next?

While all this was happening, the business had been changing in other ways. In particular, we have changed from a mowing-only business to one with more than 40 different divisions at last count. But it took a long time to learn how to do it successfully. Some of our most profitable franchises are cleaning, dog wash, and fencing. Examples of ones that we've dropped include Beauty, Pet Patrol (dog walking etc.), and Coffee Vans.

Right from the beginning, there were a number of reasons why it seemed a good idea to branch into other services. We already knew a lot about franchising and would save costs by running more than one business from the same office, or at least using the same computer software. We could offer more than one service to our customers, which is particularly important for clients like real estate agents who need a lot of things done. And at least as important as anything else, the mowing business is seasonal and subject to weather conditions such as drought. It was a worry to be so dependent on rainfall when a single bad year could put us under enormous pressure. The weather had been a factor behind every attempt to diversify, including my tourist project.

The whole process of diversification started in late 1994 with a cleaning contractor, who we'll call Frank, who came to me with the idea of starting Jim's Cleaning. This was soon after the Sunlite fiasco, so I wasn't interested, and I explained my view that Jim's was a mowing image and so it wouldn't work for a cleaning division. But he was insistent that it would, and in time, I agreed. Frank also had the cleaning experience I lacked.

The logo was to be the same, but with "Cleaning" replacing "Mowing," and a blue color to distinguish it from the mowing green. Later, we added some bubbles on the right-hand side. The two logos were linked, yet clearly different. I went into partnership with Frank for the Victorian regional rights, retaining the national rights, including responsibility for quality, trademarks, and so on. This was vital—it would prevent one of the new divisions from doing anything to harm the brand.

We got some franchisees on board and started advertising for work. On the positive side, there was no doubting the value of the logo. Quite often, when our reps approached a potential customer, the initial response was poor. "Jim's Cleaning," as a name, meant nothing. Then they saw the logo. "Oh, *Jim's Cleaning*… as in, *Jim's Mowing*!"

Suddenly, we were in.

But not even our logo made work easy to come by. Most people still wanted a woman on a low hourly rate. Plus, we had problems with our contracts due to poor wording and offering an unreasonably high pay-for-work guarantee for carpet cleaners. Also, the partnership worked badly because neither Frank nor I took responsibility for getting work. Guarantee claims mounted, and we were losing money.

After a time, Frank offered to buy out my share and become the sole Victorian franchisor for Jim's Cleaning, basically in return for the money it owed me. I thought this would be better, since it meant at least one person would be focusing on it full time. He launched a major advertising campaign, mainly over the radio, which brought strong public recognition. One fascinating point was the way this helped our current business. Whenever the cleaning ads ran, there was a significant rise in mowing and gardening calls. This was everything I had hoped for in early planning. The cleaning division was actually helping our current franchisees, and in general they were very supportive.

But I was concerned about Frank's costs, which seemed to be getting out of hand. His advertising campaign cost a fortune, but this was only the start of it. He wanted his own office, but he lacked my frugal habits. His rent was almost the same as ours, though he never serviced more than 15 franchisees to our more than 200 at that time. And by our standards, he was overstaffed. At one stage, he had as many office staff as franchisees! To make matters worse, there were relatively few sales. Frank had overspent and was going down fast. In the end, he could not pay his bills.

So, we stepped in and brought Jim's Cleaning back into our office, slashing costs and reassuring the franchisees. We found that in some cases, pay-for-work guarantees hadn't even been paid, which of course was our first priority. We fixed the guarantees and told the franchisees they would be looked after, no matter what. I would take personal responsibility for anyone who signed under the Jim's logo, regardless of what happened to the franchisor. To do this, we appointed a manager with 20 years' experience in the industry.

One of our first cleaning franchisees was Haydar Hussein. He left school when he was 17 to follow in his father's footsteps and become a banker. Due to his family legacy, it seemed like a good choice. Fast forward 12 years, and he was engaged to be married and cleaning the banking branch after hours as a way to bring in extra cash.

He quickly discovered that he enjoyed cleaning more, and he was also earning a lot more money doing it.

Not only that, but the job was satisfying on a level that banking couldn't touch. He loved how clean the spaces were after he left them. He loved the element of physical labor, of being his own boss, and getting rewarded for working harder and smarter. He loved not having a cap on how much income he could make. And in fact, he quickly found himself cleaning four more banking branches in the area. It was enormously satisfying, especially when he was making so much more money doing this than he had been as a banker!

The thought of leaving a stable environment for a cleaning business was almost ludicrous. But Haydar realized that the most important thing was to be happy at work. And he wasn't happy as a banker. This side cleaning business brought him more joy—and success—than he had thought possible, and he wanted to grow that aspect of his life.

So, he started an independent cleaning franchise—Haydar's Cleaning—bringing a lot of bank customers with him.

Word soon spread, and not long afterward, he had more clients than he could handle.

Going national seemed like a good option, but with so many branded names out there already, he wasn't sure where he would fit in. And he had had little success at that time with employing staff, so he was still doing all the work himself. This was ironic, considering that he later showed himself to be a superb manager.

Haydar's neighbor had joined Jim's by this point and was heading up a new division—Jim's Antennas. Haydar and I had discussions about a future in Jim's for him, and he ended up purchasing a quarter of a Melbourne region from me. He's been running the cleaning division ever since.

These days, Haydar works the hours he wants, and he spends plenty of time at home with his family, and enjoying his many hobbies. He owns a holiday home in Cyprus, and he and his family live there four months of the year. To say he's content would be an understatement.

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While we were getting cleaning up and running, someone approached us with the idea of mobile dog washing. This kind of service, like all commercial dog washing, uses a hydro bath. The dog stands in a fiberglass container and is sprayed with warm water and shampoo through a nozzle. This gives a much more thorough clean than a normal bath, taking out the doggy odor that most people object to and also a great deal of loose hair that might otherwise shed on furniture. I'd had some experience with hydro baths and had been impressed.

A franchise group had started in Perth and done well, reportedly booking out their people with nothing more than local paper advertising and filling them up with regular customers in just 12 weeks. But like all the other services we knew of, they got their water from their customers—usually one bucket hot, two cold. This was not only time-consuming, but tended to annoy people by tracking mess through the house. Other services also failed to dry the dogs except for a quick rub with a towel. We looked at the possibility of designing a trailer that would carry and heat its own water, providing a high-quality service to include blow drying and brushing the dogs. What about franchising it under the Jim's name?

I did some quick figuring based on the time it would take to wash and dry a dog. Allowing for travel time, it should be possible to make a similar income to our mowing franchisees. Having learned from our recent problems with the cleaning division, we decided to keep it strictly in-house. We hired a manager with industry experience to run the operation from our office, and launched the new division as Jim's Dog Wash.

As with cleaning, we wanted a recognizably "Jim's" logo that was also clearly distinct.

We asked the graphic designer to try to fit a dog into the picture. He had a limited range of dog images available, so we settled on a Bassett that seemed to be looking up mournfully into my face. Later, the franchisees and franchisors changed it to a livelier cartoon-style dog. We originally thought of blue as the company color, but this was already taken by the cleaning division, so we settled on a fire engine red. Then we designed a steel box-shaped trailer, had one built, and went out on the road as a trial.

The new trailer proved a sensation with its bright red color and quirky variation on the logo. One person even rang up to say she was seeing our trailers everywhere, though at the time there was only one! There was an excellent response to our advertising, and we started to wash a lot of dogs. We fiddled incessantly to improve the trailer design and also experimented with different prices and packages. One thing that suggested we were on a roll was that people would come outside when the trailer was parked. Sometimes, several people would stand around, just to see the dog being washed.

Jim’s Dog Wash was going to differ in one critical way, and this was based on our New Zealand experience of rapid growth with lower-priced franchises, at least in the beginning. Rival dog wash franchises were charging more than $20,000 for a franchise, but I saw no good reason for this. Advertising costs were likely to be low, and the trailer we wanted cost only $6,000. What I wanted was growth, and in a hurry!

The initial response was good. The phones ran hot from dog owners and franchisees clamoring to join, despite the fact that we tried to be picky. We turned dozens of people away, including anyone who didn’t show a passionate love of dogs. Some of our mowing franchisors were eager to take on dog washing rights as well. Within seven months, we had 70 franchisees throughout Australia and New Zealand. One welcome point was that around half of these were women. I had been concerned that women wouldn’t like to work under the image of a man. This proved not to be the case. Not only that, but clients were delighted when their dog-washing “Jim” turned out to be a woman.

Our biggest problem was how to build the trailers fast enough.

The man who made the hydro baths, who was used to doing two per month, suddenly found himself with orders of up to 20.

Local suppliers ran out of dryers, and we combed Australia to find them. These delays caused a lot of aggravation. We had people signed and ready to join, even demanding work guarantees, and the promised trailers were yet to arrive.

Chapter 19: Proving Me Wrong

Dog Wash has become one of our best-performing divisions. And with people like John Egan running franchises, it's no wonder.

John and his wife moved here from Ireland some years ago. Previously, he'd been a carpenter on construction jobs for an Irish company. Unfortunately, the company he was employed with didn't view the work their people did as enough, even when those employees were stretched to their max. After John moved to Australia, he was dismayed to find similar situations here—bosses who were ungrateful, even after he'd put his all into the work.

As if that weren't enough, work itself was difficult to find. John ended up laboring for an employment agency in Queensland, but his discouragement and depression were running deep. The work was stressful with little reward for the hours he was putting in—when he found work. He and his wife knew they needed to do something different. But what?

This was when John's wife learned about Jim's Dog Wash. They both really liked dogs and were curious to find out if grooming could bring in the amounts of money they were hearing about from Jim's Mowing. The two of them met with the local franchisor, and after a good chat, organized a trial day. John wasn't sure about it at first, but he was surprised to find he absolutely loved it—working with dogs in that capacity brought him a lot of joy. Not long after, they signed the contract.

The timing was incredibly difficult as his wife gave birth to their first child only two weeks later, and that first year was really hard.

But John pushed through, not wanting to let his family down.

Nearly 14 years later, John is still running a Dog Wash franchise. He loves the fact that he's making excellent money while still having time for his family. He attends his kids' sporting events, and he and his family regularly go camping. They don't worry about where the next paycheck will come from, not even close—they now have plenty for their needs and even wants.

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Other new divisions followed quickly—trees, car cleaning, and handyman services. The game plan was the same in each case—variants of the logo with different color schemes, dedicated managers, and all calls to be taken by existing offices. I asked staff to start answering the phones as “Jim’s Group” rather than “Jim’s Mowing.” These divisions got off the ground with only one serious problem—the cost of a dedicated manager meant that all were running at a loss.

2000

Then Andrew Mackintosh, the first person who trained franchisees and who was running a very successful mowing franchise, came up with the idea of Jim’s Fencing. My initial answer was “no.” I didn’t see much demand for fencing work, and I didn’t want another money-losing business. In this case, though, Andrew asked to buy the franchisor rights for Victoria but with admin and call answering from our office, which was possible by this time because of the IT advances we had made. There was no risk in this, and he had a great track record, so I agreed, though I did warn him he might lose a bundle.

In fact, I couldn’t have been more wrong.

Before launching, we rang several fencing companies and found none able to start a new job in less than four weeks. Trial ads showed enormous demand. So, the division was launched with Andrew at the helm, and it got off to a good start. His biggest problem, as in so many areas, was taking on franchisees fast enough. Nevertheless, he grew steadily. Franchisees were well looked after and making good income. Also, it was the only one of the new divisions to make us a profit! In countless hours spent analyzing and thinking about our failures, we began to see

Andrew as a possible model for the future in three specific ways. He was an exceptional operator with long-term, personal experience of the work, he had paid for the rights and owned them, and he wasn't distracted by running any other division.

So, here was yet another model. We had tried a franchisor running from a separate office, then paid managers working from our office, and now a franchisor working from home but with admin and call answering from our office. This last arrangement was to prove the model for the future.

One serious problem from adding some of these new divisions, such as the tree-trimming one, was that my mowing franchisees felt they were losing territory rights again. Especially since several of them were already doing tree work. To understand franchisee concerns, I emailed each one a link to an online survey, asking about levels of support and inviting them to add comments if they wished. To get the most honest answers possible, I made it clear that I would not see the individual results, only the percentage answers and the comments. This was a forerunner of surveys we were to run in later years.

A lot of concerns came out, and we held a meeting to discuss them. Around 200 franchisees turned up, and it became quite heated at times. I told them immediately that gardening, rubbish removal, and gutter clearing work could not be removed from their roles, since they were all covered by territory rights. After a lengthy discussion, we decided that the call center staff would simply ask how tall the tree was. Below roof height would go to mowing, and above it, to the trees division. This worked out well and the arrangement continues till the present. After all, most mowing franchisees don't have the skills, license, or equipment to take down trees, and those who trim trees don't want to prune bushes!

I also pointed out how a trees division could help the other franchisees, using the example of how mowing leads surged when cleaning ads were run. In a similar way, advertising for trees should boost demand for mowing and gardening services. We also made it possible for mowing guys to take unserviced handyman and trees jobs if they wished to, and even to switch to the trees division without paying anything except for signage and any training required. This ability to change divisions was later to be applied quite widely, and such applications are rarely refused.

This was all far from the popular vision of a grand master plan, flawlessly carried out.

The development of separate divisions has been a major part of our success—it now provides more than half our income. Yet the beginning stages were messy and full of mistakes. In our case, there was an initial idea and a blizzard of experiments, far more than those described above, and many of them failed. These experiments were to continue, and they still continue more than 20 years later.

Chapter 20: The First Major Milestone

Back in 1982, I had called my business “Balwyn Gardening,” since I didn’t intend to operate outside three or four suburbs. In 1989, I thought it absurd that we might one day go interstate. Until 1992, we had no idea we could operate in smaller cities such as Hobart, much less the country towns that are now among our fastest-growing markets. And if other states and country towns had been beyond my imagination, New Zealand would have seemed like another planet. And yet, there we were.

By 1996, we began thinking of North America, which had no system remotely like ours. As it happened, our first foothold was in Vancouver, where a local businessman named Dennis Reidy got talking to an Australian in the pub, flew over to Melbourne, and liked what he saw. Eventually, he came to support 70 franchisees in British Columbia.

A couple of franchisors decided to give the United States a go by getting visas and heading off for Texas. They had no trouble finding work, and mowing services commanded a high price, just as expected. But unfortunately, they just couldn’t sign enough franchisees. The predominant model in Texas was a supervisor with several workers, made possible by the lower cost of labor, and we were not attuned to that, since most Australian franchisees work by themselves or with a single helper.

It was also clear that local connections and knowledge were vital, as Dennis showed in Vancouver.

And there may have been a problem with conveying our distinct Jim's culture, since training was done locally and so was the taking of calls. In the end, our pioneers had no option but to return home.

Even given this setback, 1997 was a great year. At the start of it, we reached the magical number of 1,000 franchisees, and I went on a media tour as "the face that launched a thousand trailers." Our New Zealand branches forged ahead, leaping from 30 to 130 franchisees in the course of the year. With new divisions in the works almost every month, growth in Australia was even faster. By the end of the year, we had passed 1,350 franchisees. The number of trailers was significantly greater since many of our people had more than one. Our induction course started the year with an average of four attendees per month. By the end of the year, there were around 20. Today, our three-day national course commonly teaches more than 100 people every three weeks.

Most new divisions start with a general inquiry to our website or an email to me personally. My email address is widely available, and I read all emails within hours, clearing my inbox at least once and usually twice a day. If it looks promising, I organize an interview, then hand them over to a key staff member who will arrange contracts and training, if they wish to proceed. I also get to know the applicant better during franchisor training.

Despite my early reservations, the launching of new divisions over the years has proved a major strength. Each division has a different version of our logo, with the beard and hat image and the word "Jim's," followed by the divisional name. There are different graphics at the top right, and advertising is completely separate. This means that each division is linked to the Jim's brand, but also clearly distinct.

We do this so we aren't perceived as a "jack of all trades, master of none" as we initially feared might happen. And we actually are masters of each trade, since our franchisors and divisional heads are experts in their fields. Promoting one division seems to support other divisions in terms of work, as discussed earlier, and clients who are happy with one division often book others.

Chapter 21: Meeting the One

My first wife was pregnant with our fifth child when she found herself a boyfriend and refused to give him up. Then the two subsequent marriages both failed within a few years. Besides the fact that I clearly lacked—and still lack—something as a husband, there was the problem of a noisy mob of children descending on my household for access visits. Moreover, for that brief time, I focused on them to the exclusion of anything or anyone else. But failing at marriage, especially as a Christian and someone who had always expected to be married for life, was a great source of shame. I wasn't about to give up.

The day that changed my life was April 20, 2001.

A woman—Du—who worked in my office, heard I was dating again and mentioned she knew someone. I immediately wanted to meet her, but it took three days for Du to get Li to agree—and she only agreed as a favor to her friend. Li had been married to a businessman before, and her experience hadn't been good. She wanted someone honest and decent, who wouldn't cheat on her—and that hadn't been the businessmen she knew. All I knew about Li was that Du said she was pretty, and she had a three-year-old daughter back in China.

We arranged to meet on the platform of a railway station. Li almost backed out, but at the last minute, instead decided to go dressed as plainly as possible and without any makeup. She figured a businessman would quickly lose interest, and she could tell her friend that at least she had tried. That plan backfired badly. A modest dress and no makeup made exactly the right first impression, and Du had not exaggerated about Li's looks!

As Li told me later, I was definitely not what she expected. Far from being a slick, well-presented businessman, I had the most appalling haircut. This was from my habit of sitting at my desk with a pair of scissors while working and reaching back to cut any tuft of hair that stuck out. She also noticed a grease patch on the elbow of my rather shabby jacket.

"What's that?" she asked, pointing at the stain.

"Oh, I must have got it when I was cooking for my kids," I said.

"What? You cook for the kids?" Li asked, shocked and surprised.

In China, businesspeople have maids who handle the cooking and cleaning. That I—a businessman—would cook was hard for her to grasp.

And then I took her to my car. At that time, I was driving a yellow, 30-year-old Volvo—practically an antique. I had purchased it for very little after my beat-up Kingswood died. Li had never seen such an old, broken car in her whole life, and had certainly never ridden in one.

The Yellow Volvo

I took her to Chadstone Shopping Centre for tea, and without intending to, basically put her on the witness stand, asking her a load of questions. I wanted to know if she liked family, especially kids. It was crucial to me, and not just because I had several of my own by that point. Luckily for me, she said she loved kids. She told me about her daughter, and I told her about my children.

Li has mentioned to me that she felt like that first date was more of a job interview than anything else. Apparently, though, she thought I was funny and intelligent.

As for me, I was totally smitten. She had so much vitality and an almost childlike intensity. Her face was completely expressive and she held nothing back. And, as I said, her plan where clothes and makeup were concerned backfired. I thought she looked perfect, and I spent the whole date wishing I could take hold of her hand. I finally got the opportunity when we shook hands goodnight.

We had a second date the next day. As we were returning to the car, Li grabbed my elbow to steer me clear of water falling from a shop canopy, and I put my other hand on hers. We walked back like that. The whole time, I was desperately hoping and wishing she might be the one. I so wanted a stable marriage and no more divorces. I had no idea how amazingly it would turn out!

Unfortunately, the next day, I had arranged to fly to Florida for a franchising expo. I was absolutely devastated to be parted from Li, and there was nothing I felt less like doing. But I had to do it. Apparently, while I was gone, Li told her mother that I didn't have a chance. Apart from my hair, grease stain, and old car, I hadn't made too much of an impression.

I was gone for eight days. As soon as I returned, I took Li to meet my mother. While there, I said something that offended my mother—characteristic of someone who isn't always aware of social conventions—and my mother got quite upset. She complained to Li that I refused to even tell a white lie to avoid hurting her feelings.

Li told me later that, at that moment, she decided to marry me if I asked. After the experience of her first marriage, honesty was what she wanted above everything else.

Two days later, we were engaged. This was 13 days after our first meeting, for most of which time I'd been away. And it wasn't even a formal proposal. We were having a conversation and Li said, "If we get married…" and I replied "There is no *if*." We booked the registry office the following day for the first available date.

This was, of course, a completely mad decision. Honestly speaking, I was too smitten even to think straight. Nor would Li have agreed to simply living together. She wanted a secure future for herself and her daughter, who she had left behind with her family in China. And because of my beliefs, this was not an option for me either.

If any of my children considered such a quick marriage, I'd be appalled and try to talk them out of it. We didn't even make a pre-nuptial agreement, also unwise for a man in my position.

But I refused to recognize that the marriage might fail.

Marrying Li was the single best decision of my life.

2001

We were married on June 10, 2001, seven weeks and two days after our first date. She became pregnant on our honeymoon and gave birth to a daughter, Sylvia. Then Li's daughter came over to join us. Her Chinese name was Si Yao, but as soon as she could understand English, she chose the name Jasmine because of the flowering shrub that bloomed so beautifully in our garden. Jasmine is my daughter—the word “step” has never come into our relationship.

The beginning of our marriage was difficult for Li, who quickly found herself the part-time mom of a lot of children. But she was great with them, and they loved her in return. She would have gladly adopted the younger ones if that had been possible, and she also appreciated my love for Jasmine.

Marriage for Li was difficult for other reasons. As I’ve stated, I’m a hard person to get along with. I could see her frustrations with me, but I couldn’t be anything but myself. I knew she hadn’t married out of love, and I really hoped she’d eventually come around. With time, she did.

For many years, until they redeveloped the railway station, we’d go back every year on April 20th to re-enact our first meeting—the day that forever changed our lives.

Chapter 22: Outgrowing Our Space

By the early 2000s, the launch of divisions on the new model mentioned earlier was profitable. Costs were dropping with better IT and franchisee numbers were rising. Our internal accountant at this time also seemed to be remarkably good at reducing our tax bill, in what he assured me was a totally legal way. I had always insisted on strict compliance with the tax code, paying full tax on everything, and he told me he was maintaining that compliance.

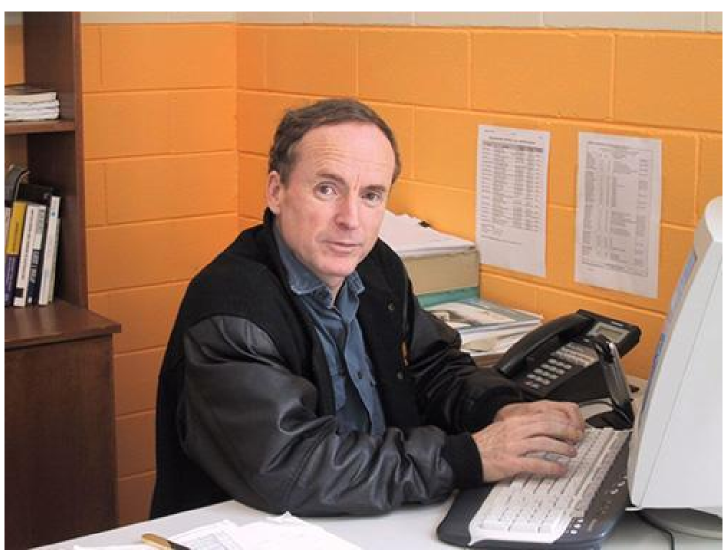
As a result of all this, for the first time ever, we began building up funds in the bank. This made it possible to consider buying a site for the office instead of renting, as we were outgrowing our Bayswater offices. I also wanted to train and house our new franchisees on-site, as a way of strengthening our company culture. In 2003, I found a 20-acre property in Mooroolbark, in the outer eastern suburbs of Melbourne. It had originally been a girl's school and then a university, but had been vacant for several years. We gained permission from the local planning authorities to turn it into a conference center and offices.

The property needed a great deal of work. There were office buildings, but they were in terrible condition. Staff may remember that there were rabbits and snakes everywhere on the property. In fact, when we had the back paddock mowed for the first time, it was full of tiger snakes. We even had a toilet clog due to the number of dead snakes in it. At the beginning, before wildlife figured out they weren't welcome indoors, we had spiders, bugs, and lizards coming into the office all the time, and this caused the call center girls to run screaming outside.

We got everything under control, though, and the property is beautiful now.

And even better—Li and I were able to find a house next door.

I hate commuting. As soon as we had council permission to use the Mooroolbark site, I hunted for a place within walking distance. Nothing was available. I ended up knocking on all of the doors until I found someone who was happy to sell. We negotiated a price, and Li and I moved in soon after.



2002

In 2003, I put out an advertisement for a call center manager, and Jill Stallworthy applied. She'd been acting as a manager for a much larger call center nearby, but she wanted shorter work hours so she could spend time with her children. I offered her the job and she accepted—despite the fact that it paid much less than her last position. She desperately needed a lifestyle change and didn't mind the drop in pay.

Jill started working with us around Christmas. She was used to dealing with processes and monitoring, one-on-ones with employees, KPIs, and internal communication, but she found that there wasn't much adherence to any of those defined practices. She set everything up and also worked at unifying our call centers—helping them to operate like a team, despite being located across the country.

In 2005, I told Jill I was thinking about selling the call center due to how much it was costing the company. Not wanting her job to disappear, Jill took a look at all of the profit and loss statements as well as the budget. What she discovered was upsetting—multiple call center employees had been using work funds on personal expenses such as boats and cars. Jill got it all under control, letting go those who'd been cheating the company, and I was thrilled to hear that the call center wouldn't need to be sold after all.

Chapter 23: Million-Dollar Tax Bill

Two years after hiring her, I asked Jill if she'd like to lease the center from me, allowing her to receive a percentage of income collected. My hopes were that it would reward her for her work and continue to incentivize her to run it well. Jill accepted, inviting her daughter, Rebecca, to help.

Rebecca and her boyfriend ended up renting a little cottage on the property, not far from the call center. Late one night, they heard the dogs barking and looked outside only to see a massive wall of flames where the call center should have been.

As I lived next door, I was first to arrive on the scene, and the fire brigade came soon after. It was complete chaos with fire trucks everywhere and flames bursting out of the building. Jill caught up soon, and Rebecca and her boyfriend joined us. News of the fire started spreading to other staff and even franchisees.

As the firefighters struggled, three individuals were particularly stressed over the situation.

Jill worried that she hadn't turned off the coffee pot. I was nervous because I hadn't really needed the building and didn't want to be accused of arson. Most nervous of all was a franchisee from our new test and tag division. (For Americans, a test and tag operation is where a contractor visits homes and businesses and checks that the wires for electrical appliances are up to code and safe.) He had checked all the power cords the previous evening, confirming they were not a fire risk. The only exception was two computers being used by staff, which he had intended to test the following day. He feared the fire had been caused by a faulty cord he had somehow missed.

When the sun came up, everything was revealed. The entire building was destroyed, along with an adjoining training room, meeting room, toilets, and a dining room. You couldn't even tell a bathroom had been there—there wasn't a toilet bowl or sink left behind. The ferocity of the fire was just incredible.

The fire brigade dug through the ruins and found the coffee pot. They determined, much to Jill's relief, that it hadn't caused the flames. Then they discovered a hotspot on the ceiling where one of the unchecked computer monitors had been stationed. They determined that monitor was the culprit. So our franchisee was also off the hook. In fact, we were all relieved the fire hadn't been due to negligence and that it hadn't caused more damage.

That space is now a simple concrete area where extra trailers are kept. I like to joke that it makes a good advertisement for our test and tag division, telling people that this is what happens when you don't use our services.

The call center had to continue operation despite the fires, and Jill was able to arrange for things to be diverted to Adelaide until she and Rebecca could set up a new center. Luckily, we had an unused building on site that seemed perfect, other than the fact that it hadn't yet been renovated. Jill arranged for pest control and cleaners to come, and we laid new carpet and placed new furniture. Ten business days after the fire, our new call center was up and running. That call center is still operating today.

By about this time, I had started realizing our financial situation was not as good as I'd earlier supposed.

My accountant resigned in 2005, leaving me with a couple of unpleasant surprises. First, a considerable sum of money had gone missing. And second, he had put in some very dodgy tax returns. After nearly three years sorting out the accounts and working with the tax department, we found that our accountant had failed to pay just over $1 million. We ended up with a bill for back taxes, penalties, and interest of almost $3 million.

Chapter 24: $500,000 for Research

At an earlier stage, a $3 million tax bill would have been a complete disaster. Fortunately, by 2005, we were embarking on changes that would put us in a much more secure position. And even more luckily, I now had Li on my side. In China, she'd been a teacher and had worked in tourism. Her last job had been with the British Consulate General in her hometown of Chongqing. She wasn't a bookkeeper or accountant, but she had helpful work experience and was naturally skilled. She stepped in to manage the accounts department and get us back on track. To her, the finance things I'd always failed to pay attention to were just common sense.

She was so good at tracking things down that she figured out we were still paying for an old service that we'd stopped several years before. No one had thought to check, but she had my best interests at heart and wanted to make sure everything was running exactly as it should. Li also discovered that a lot of debts were being written off without proper authorization. There was no paperwork, no trail—nothing to prove that anything had happened.

And so, Li set up systems and processes that have saved us a countless amount of money, along with hiring a competent accountant. For a while, whenever the finance team was instructed to write off a debt, they had to verify with her first—unless I personally asked them to do it. Despite never having studied accounts or bookkeeping, she was able to do all those things that our previous accountant couldn't or wouldn't. She's just brilliant.

Because of Li's attentiveness to the finance side of things, I was able to focus even more intensively on customers.

Complaints were fewer than they had been in earlier years and at a fraction of pre-franchise levels, which seemed to be increasing the effectiveness of our advertising. If we could do even better, then both franchisees and Jim's Group would benefit.

We brought all of the call centers from the other states back to Melbourne, where we could exercise more rigorous quality control. After the call centers were centralized, I began dealing directly with all serious complaints across the country. These were normally defined by a customer ringing back a second time. This started when a staff member was appointed to deal with such issues, which eventually began taking up around half her time. But I was still getting a great deal of flak, and clients weren't satisfied. To get an idea of the problem, I asked call center staff to refer these directly to me for the time being. The idea was for me to sort out procedures and then train someone else for this time-consuming task.

Except the task turned out not to be so time-consuming. I quickly developed a fast and effective way of dealing with complaints. By asking the staff to provide the client's email address, I was able to communicate clearly with the client, the franchisee, and the franchisor, letting each know what exactly needed to be done. The franchisee was given a set date by which they had to satisfy the client. If they thought the job had been done well, the franchisor was to inspect and arrange a third-party inspection if necessary. If none of this happened, the client was to get a quote, and we would pay it, then bill the franchisee. This was all carefully recorded in the job notes so any staff member would know the status. Usually, a single email was all it took.

2004

People are often astonished that I take such a role, considering that we service around 100,000 customers a week. In fact, in a typical week, I probably spend no more than half an hour on unhappy clients. My franchisees generally give good service, and the problems that arise are usually dealt with swiftly and effectively by franchisors.

Lest anyone think I'm a workaholic who micro-manages the business, I take very little interest in areas such as marketing or finance, where others are doing a much better job than I could.

This leaves my time free to focus on areas like service and being available to franchisees, which I believe no one else can do as well.

***

The year 2005 ended up being good for my Biohistory research, and I turned my thoughts in that direction again. I finally had some spare money, but spending that money proved to be more difficult than I expected. I initially approached a contact at Monash University and employed a graduate to do the research, but that went nowhere, and the resulting paper was totally useless. I discussed my situation with academics at Monash, and they suggested I find someone who was already working in areas related to my interests—which were physiological and behavioral effects of mild food restriction.

My theory suggested that, if the effects of food restriction could be duplicated with a treatment that did not involve going hungry, it would have important therapeutic effects, for instance in the treatment of drug addiction, depression, and obesity. Not only that, but it would have the potential to halt the decline of our civilization and even bring Third World countries to First World levels of income.

I'm truly passionate about this topic, and the advice to find people with similar passion was excellent. I immediately started looking. After searching through staff listings at different universities, I identified Dr. Tony Paolini and Dr. Steve Kent, both in the psychology department at La Trobe University. I wrote to them and offered $500,000 for research for the next few years. Tony said he had originally thought the email was spam and had almost deleted it, since it seemed so unlikely anyone would propose a funding grant in such a way! Instead, he googled "Jim Penman" and found I was a La Trobe University alumnus and the Jim Penman who had founded Jim's Group.

He answered my email right away.

Steve Kent also responded and later became closely involved. But the immediate outcome was that Tony started conducting studies. He set up a small research program involving himself and two doctoral students. One of them—Antonina Govic—is still with us today. Research that indicated mild calorie restriction was good for health already existed, but I wanted to take a different look. I wanted to study the effects it had on psychological behavior. I was especially interested to see if pheromones from food-restricted animals could have similar effects to food restriction itself, a prediction of my theory. Tony didn't think this would work but was surprised to find it did—to an extent.

We began looking at the effects of mild restriction on rats—for instance, how it changed their exploration, sexual behavior, response to strangers, anxiety, and maternal behavior. We also looked into how those effects might differ, depending on the timing. I especially wanted to know what effects, if any, calorie restriction had on the mother and her babies before conception, during gestation, and while nursing.

The researchers and I would get together every few months to go over the results, and I'd then incorporate the findings into further developing my theories. I always accept the data. If things work, great. But if they don't, yes, it's disappointing, but that's how research goes and why we do it. Overall, I've been absolutely thrilled with what we've learned. It's radically changed and helped me develop my theories.

After years and millions of dollars, we've published quite a few papers. The information we gathered gave me a better understanding of the scientific basis of the field, and in 2015, I wrote and published *Biohistory* and *Biohistory: Decline of the West*. (The first is what we refer to as the academic version and is quite expansive. The latter is a shorter and more accessible version done in collaboration with my son, Andrew.) These two books received some international interest, but not a lot of attention from the scientific community. I've continued funding the research, though, and have more books to write and papers to publish.

I've never felt like the meetings with my research teams and what must be thousands of hours of reading and writing detracted from my business.

I find the time for the things I need to do.

And if that means rising before dawn, so be it. It's worth it.

Chapter 25: Our Biggest Priority

We'd held franchisee surveys in the past and had learned a lot through them. In 2005, we decided to do one again. In particular, I wanted to find out what forms of support our most successful franchisors were using. We would ask the franchisees how fast their franchisor returned their calls, how helpful the calls were, and whether they were getting regular meetings and business reviews. (A business review is basically an internal audit wherein a franchisor discusses the business with the franchisee—how they're doing, where they can improve, and so on.)

We also decided to include a question about a new form of support, a "proactive call." This is a call a franchisor makes that is not in response to a franchisee reaching out or for any specific issue such as fees. It's simply done to keep in touch. Proactive calls had never been part of our system, but in talking to our most successful franchisors, it became obvious that many were making them. For example, when I asked about their business reviews, which were part of our system at the time, they explained that they already knew how their franchisees were doing because they phoned them as often as weekly. This was especially the case with Jim's Fencing, which was enjoying a period of very rapid growth.

It became clear that the key was frequency, not the total of time spent.

Franchisees who had regular communication with someone they liked and respected tended not to feel alone. The level of support was even more important than money in determining overall satisfaction, though having a good income certainly helped. My failure to predict this is perhaps a reflection of my poor people skills. Phoning people who hadn't asked for help made no real sense to me, especially since a lot of these calls weren't much more than a "How are you?"

Yet they were the form of support that had the biggest impact on franchisee satisfaction and longevity. Not only that, but they had a bigger impact on income than business reviews. For example, a franchisee might realize from a business review that he needed to upsell more, or raise his prices, or ask for referrals, or greet strangers on the street, or take one of many other actions to lift his business. But over the weeks that follow, the motivation fades as he drifts into old habits.

One of our most successful cleaning franchisors, who we will call Katie, has always been excellent at proactive calls. She never did sit-down, or formal reviews, but she made weekly phone calls a permanent habit. She even turned them into a mini business plan, doing so by asking intrusive questions that a lot of people would naturally shy away from. She approached it the way a loving parent would when asking what was wrong if a child came home crying.

Questions in her proactive calls included how much money franchisees were making, if they were happy with that level, and how many hours they were working weekly to get there. And then, she'd help them come up with solutions.

Solutions to the issues almost always required the same things—more marketing, raising prices, making sure there was minimal travel, and selling franchise rounds when a franchisee was struggling to meet the needs of all of his or her clients. Once Katie and the franchisee had decided on the solutions, she helped them identify strategies they needed to implement. She then helped them set goals to get there.

At the end of the call, she would sum up what they agreed on, which included what she and they would each do, and by when. The calls were always followed up with an email containing the plan in writing.

And because the franchisee knew she'd be reaching out the following week, their motivation and desire to do well went up significantly.

And so did their success.

Business can be tough, and success means breaking old habits and creating new ones. This takes real effort, even for the best of us. Frequent encouragement and support really help.

As a result of this 2005 survey and other observations, we began a total revamp of our training and manual. We confirmed that phone calls from franchisees had to be returned within 24 hours on business days. We laid down that group meetings needed to be held at least eight times a year (roughly every six weeks). The biggest change was that we began requiring franchisors to make and record proactive calls at least monthly, and ideally weekly. All of these policies remain part of our system to this day.

This wasn't simply a matter of piling more work on franchisors. We wanted them to spend their time where it would be most helpful to their franchisees, and thus to their own business. Since business reviews were less helpful, they could be dropped unless a franchisee was in serious trouble. We also saw no great benefit in working in the field with franchisees—again, unless they badly needed assistance in some area such as quoting. In other words, rather than increasing time spent with franchisees, we asked them to focus on the areas that our surveys showed had the greatest impact.

This 2005 survey was so useful that we decided to run it annually, and the results from our 2007 survey were especially good—all the more impressive since 2006-7 was another drought year across Australia, with most of our clients forbidden to water their lawns. Since a majority of our franchisees were still in the mowing division, this would be expected to have a drastic effect on their income.

At one stage, I even had a call from a media outlet asking me to describe how our business had been devastated!

In fact, as I could report, the drought seemed to make little difference.

Mowing franchisees reported exactly the same satisfaction with their income in the drought year as the one before. Where the drought did affect us, in quite a serious way, it was that it made it much harder to sell mowing franchises for a time. Prospective franchisees simply did not believe there would be enough work.

The drought did have one big impact in terms of training. When I talked to mowing franchisees that year, it was clear that some were finding it hard, but more were flourishing. The difference, every time, was in their approach to "extras." Those who had varied skills and the confidence to ask if there was anything else they could do were booked out months ahead. We had always known the value of extras, of course, but drought conditions made their value even clearer.

This was a key motivation in our push to set up formal induction training for the entire country. Until now, training had been locally based and generally took only two to three days in the franchisor's office, plus time on the road. There was a small fee of a few hundred dollars, included in the startup package. Even the Melbourne training was only somewhat more organized.

Formal training gave us a chance to take a final look at prospective franchisees and franchisors. Anyone who acted poorly, or showed they were emotionally unprepared for running their own business, could be failed and sent home.

I wanted mowing trainees to do an intensive two-week course, ideally before signing the contract, but in any case, before starting. Training would cover a wide variety of extras, including those relating to drought—gray water systems, artificial turf, native gardens, and so forth. A number of the interstate franchisors objected. They were convinced that the extra cost and traveling to Melbourne would make it much harder to sell franchises, especially since this was already hard enough with the drought.

But I knew that the divisions doing best were those that invested heavily in training, such as the fencing division.

I also knew that regions sending their franchisees to Melbourne already, such as Tasmania and the A.C.T., found it no obstacle. In fact, meeting and hearing from me could be sold as a bonus! But I did agree to cap the course length at five days, later increased to six, and cross-subsidize the cost so that more distant trainees paid less to offset their travel expenses. Non-mowing franchisees were asked to attend only the first two days, which later became three.

One thing that made national training feasible was that our Mooroolbark site now had on-site accommodation. This had been part of the plan when we purchased it in 2003, just before being hit with that unexpected $3 million tax bill.

Foothills Conference Center

By 2007 we had recovered enough to be able to build motel-style units for our interstate trainees. After the units were finished, they needed furniture, and the quotes we received were around $200,000. Li was astonished at that high price, for only 24 rooms. She knew if she went to China, she could find better furnishings at a much lower price. And she was right—she ended up completing the project for only $50,000. She was able to talk to suppliers and test everything out herself before committing to buying. The beds are so good that guests sometimes ask where they can buy them. The answer—only in China. I've slept on them myself.

Spending several days in a peaceful, rustic environment helps build a sense of teamwork and an understanding of our very distinct culture. We refer to this as being "Jimmified"!

We also encourage franchisors to visit their prospects in training while they're here, offering two free meals and low-cost accommodations. This helps them form a relationship with their trainees, and also keep in touch with our national office team. I often have lunch with visiting franchisors, and they can take the opportunity to sort out issues with our documents or finance departments.

Our new conference center opened in September 2008, and the following April, we held our Jim's Mowing Conference there for the first time.

Chapter 26: How Can We Make It Right?

After opening our new conference center, we lost money on a string of managers, and I asked Li to step in and run it. She'd recently given birth to our son, Aaron, and had never done this sort of thing before, but she took it on and did a fantastic job.

She figured out what needed to happen, hiring a head chef, events manager, and other staff, and within a year, the business was out of the red and making a profit.

I'd always wanted the conference center to have around 100 rooms, and I had an architect draw up plans accordingly. However, Li didn't like those plans, so she designed new ones herself. She included a beautiful courtyard, complete with a garden and fountain. I loved her plan! She got to work immediately, supervising and managing the construction.

Li's design, complete with courtyard

Li continues to run the conference center, though these days she spends most of her time on her successful construction business. Today, we have 96 rooms in the center, along with two lecture theaters and multiple conference rooms. All told, we can host up to 300 people. We've recently added a sporting complex complete with heated pool, racquetball court, and a gym.

Compared to the resorts where we've held some of our conferences, the surroundings aren't as grand or luxurious, but most people tell us the food is better! We work to provide tasty and healthy options at every meal. This is definitely a real concern when our trainees spend a week or more with us.

The conference facilities are run by Li as a separate business under the name "Foothills Conference Center." We hold induction training there every three weeks, and the rest of the time, we have weekend guests. We do especially well with non-profits, church groups, and others.

Most recently, with the completion of the sporting facilities, we have begun to run weekend health retreats, helping people to develop good habits for food and exercise.

This is a passion project for us, and Li and I are both very hands-on.

I’m involved in the health ratings and selection of menu items, even putting aside my vegetarian preferences to taste-test all food. The challenge is to provide food that is delicious as well as healthy, helped greatly by Li’s skill at developing recipes.

With a complete conference center, we were able to dig deeper into our induction training for franchisees. This starts with my ethos talk on Monday morning.

The ethos talk

This is a hard-hitting session on customer service. I detail exactly what franchisees must do, including prompt return of phone calls, texting clients if they can’t reach them, turning up on time, and doing whatever it takes to satisfy a customer. I also tell them that, if they make mistakes and don’t resolve them, they will have to pay for another franchisee to fix the job.

I further explain the systems we use to drive customer service, including lead-based fees, measures for dealing with complaints, customer surveys, and our job allocation system. Of course, I also discuss the induction training course they have just started. We know the course is effective because, initially, during Covid, we permitted franchisees to do the course by watching videos online. This small group generated more complaints than we had seen in a decade, making it clear that some had not watched the videos. From then on, until in-person training could be resumed, we got everyone to attend by Zoom. That way, we knew they were watching.

One of my key points is that, in the case of any disagreements between franchisee and client, we take the client's side unless there is clear evidence to the contrary. A typical case would be what was included in the quote. In the absence of a clear, written quote, we will accept the client's word, which could mean doing a lot of work for very little return. It's not that we value the client more than the franchisee—we do not—but because the franchisee should know better. With the best of intentions, people remember things differently, so next time, put it in writing! And none of this means the customer is always right. Sometimes customers are completely unreasonable, but that's rare.

I tell franchisees repeatedly they have to satisfy the client. Once, we had a customer who wanted a tree taken down from the front of their house. The franchisee did an absolutely superb job.

What do you think the problem was? It was the wrong tree!

He just kept asking the customer "What can we do to make it right?" until the customer agreed to a solution that, if I remember correctly, involved planting a number of smaller trees. It's not a matter of how technically perfectly a job has been done, it's about customer satisfaction.

We end the week with a session on improving income. This is based on my experience with franchisees who have called me for advice over the years. Often the solution is surprisingly simple. For example, I suggested to one that he learn to do second-story gutters. He bought a harness and got some training, and he quickly added an extra $2,000 per week to his income. Other options include offering extra services and asking for referrals, wearing a uniform in public even when not working so as to gain walk-up business, taking unserviced leads from other divisions, offering free services to friends and franchisees from other divisions (which we pay them for), and use of social media. And throughout my presentation, there is a relentless focus on service to customers, without which nothing else matters.

The rest of the speakers focus on business plans, bookkeeping, first aid and safety, and other useful topics.

Implementing this induction training worked in the one way that really matters. Prior to this, we were losing an average of 17% of franchisees in their first year, a figure that was consistent from year to year and in different regions. This was, of course, a lot better than the 90-95% failure rate for independent businesses in our field, but still far too high. In the first year after starting the new course, we only lost 10.5%, and our first-year loss rate has been between 10% and 12% ever since. Not all such losses are failures, of course. Some go independent, are offered a better job in their old field, or experience health issues. Others may decide that mowing lawns or whatever is not for them, and sell out. But it's a key metric, and one we watch very closely.

One reason these courses are so effective is an intense concern with feedback.

Presenters, including myself, are rated by each trainee as excellent, good, satisfactory, or poor. Our standard is at least two-thirds excellent, one-third good, and none either satisfactory or poor. Trainers who score less than two-thirds excellent are counseled and, if they fail to improve, replaced. Needless to say, this motivates all of us to keep our standards high!

At times, we have also done surveys of franchisees after six months in the field to see if any changes should be made to the course. For example, what topics would they have liked more time spent on and what could have been left out or reduced? We get plenty of ideas for spending more time, and none for reducing it.

The course is extremely useful when a franchisee is challenging some aspect of the system, such as complaints, since I can refer them back to the training session I gave. And, if necessary, I can send them a link so they can watch the session again. Another advantage is that I can build a personal connection with future franchisees, all of whom go home with my direct contact details. It's hard to overemphasize how valuable this contact can be. Not only does it alert me to possible problems with a franchisor, such as a failure to pay the pay-for-work guarantee correctly or provide good support or spend advertising money effectively, but it has also generated hundreds of ideas for ways to improve the system.

Chapter 27: First Bad Publicity

In 2008, we ran into a crisis in my relationship with franchisors. As a result, we put in place a practice of running referenda. I had been making changes to the franchisor manual to require better service to franchisees. These required franchisors to run more meetings, respond faster to franchisee phone calls, and to ring their people regularly. Failure to abide by these changes could lead to franchisors being breached and even terminated, though that had yet to happen. A number of franchisors objected and began putting together a legal fund to have these changes revoked.

Our contracts allow franchisors as well as franchisees to veto changes to their own manual.

This is part of the "democratic" aspect of the Jim's system.

Just as franchisees have their rights protected against arbitrary action, so do franchisors. My argument was that I had announced the changes and received few objections. Their response was that they had not really been asked.

The upshot, after several months, was a story in the newspaper, claiming that I was about to be voted out by my franchisors. This was false in the sense that franchisors were not shareholders and had no rights under the contract or manual to vote me out. But it led to one of the very few pieces of bad publicity we have ever received.

Everything came to a head in a very angry meeting at our main office in 2009. The franchisors claimed that, since none of the recent changes had been put to a vote, they were only bound by the version of the manual that had been in place when they signed.

In the end, I accepted their argument and agreed that any future change be put to a referendum. I also agreed that each franchisor need only abide by their original version of the manual. But having them bound that way was problematic for one reason. It meant, in effect, that there were dozens of different manuals in play. For example, a franchisor who signed before proactive calls were added could not be put in breach of contract for failure to make proactive calls. Whereas a franchisor who signed at a later date could.

This was clearly not ideal.

I began working with the advisory committee on a version that would be acceptable to all. As each clause was agreed to by the committee, it was put to a vote. If rejected, it would come back for further work. Eventually, we had a manual that a clear majority could accept, and the bad feelings faded. The new manual mandated high levels of service to franchisees, but with some added protection for franchisors.

In the end, I got what we needed. Service to franchisees improved and our attrition rate dropped. But I had learned a hard lesson—don't push too hard, too fast, and be much more sensitive to signs of discontent. And never make a change to the manual without putting it to referendum!

We were never to have this kind of crisis again.

I'm not against being voted out if I'm not doing my job, but that dishonest article really bothered me. It lost us franchise sales by upsetting potential buyers. I was naive enough back then to be shocked that a major newspaper would print a story which ten minutes' research would have shown to be false. Rather than sue, though, I spent the next ten years exercising my right as a business owner to reject every advertising proposal that came across my desk from that newspaper. Considering how many millions of dollars we've spent on advertising since then, it may have been the most expensive article they ever published. On the other hand, we have always been treated well by News Corp over the years, and their reps still receive a very warm welcome.

One reason the problem with the franchisors arose in the first place is that our franchisor manual, at well over 100 pages, was so long that hardly anyone knew what was in it. So, I sat down and wrote an eleven-page version containing all the key requirements in simple language. This was approved unanimously by the advisory committee and it passed a referendum without a problem. Shortly thereafter, I did the same thing to the generic franchisee manual, reducing it to 15 pages.

Chapter 28: Rewards and Motivations

Starting in 2007, we began giving awards to franchisors, based on their ratings in the franchisee survey. The awards, ranked lowest to highest, were silver, gold, and platinum. We wanted to reward those who were doing well and motivate them and others to continue doing excellent jobs.

The combination of awards and some pressure on the poorer performers seems to have been effective, since ratings steadily improved with time. This has meant an increase in the number of awards given out.

Platinum awards, originally quite rare, have become common.

To reflect rising standards, in 2017, a new diamond award was put in place. The following year, the silver award was dropped. To achieve diamond, a franchisor must achieve 90% of the maximum possible score for service. Virtually all of their franchisees must report that they receive weekly proactive calls, have their calls answered straight away, and that their franchisor is very helpful. Furthermore, at least four of their franchisees must respond to the survey.

By 2023, 39% of franchisors had achieved platinum and a full 14% were diamonds, a level of support that nobody had been offering ten years earlier. These awards were highly valued, and of course a high award can be quite helpful in franchise sales.

As stated, these rewards were designed to motivate all franchisors to offer better support to their franchisees. That support, and a growing number of leads that were a result of better customer service, has really helped. As a result, while the proportion of franchises in 2010 reporting poor income (as opposed to good or satisfactory) was 16% when we first started asking this question, by 2023, only 9% were reporting poor income.

Lest anyone think that winning a platinum or diamond award is merely prestige, these regions tend to grow fast and prove extremely profitable. At one stage, we worked out that diamond regions were growing by 22% per year, compared to a Jim's Group average of around 4%. They have been highly effective at turning our key customers, our franchisees, into fans.

Other outstanding divisionals include Bett Blair, who took over a pool care division with only 20 franchisees and grew it to 137. Then there is Paul Commerford, who launched Jim's Building Inspections and made it the largest and most successful business of its kind in the country with 160 franchisees. There is Bill Cobanoglu, who built the laundry division up to 100 franchisees in only three years. And we already discussed Haydar Hussein, who, together with his brother-in-law, Ali, looks after more than 1,000 cleaning franchisees. This would be one of the largest franchise chains in Australia by itself.

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Not all stories are positive, though. Another change we implemented arose out of a terrible incident in Perth some years back. One of our mowing franchisees, driven by who knows what demons, killed his wife, three little girls, and mother-in-law. The franchisees in the city were hugely upset, and I flew over to speak to them.

Several hundred turned up at the meeting.

I asked if there was anything Jim's Group could do to help people in need, to build a stronger sense of community.

The Perth franchisees came up with several suggestions, one being a fridge magnet with emergency mental health support numbers, which we began sending to every franchisee. Another was mental health training for franchisors, to help them know how to aid franchisees in crisis and who franchisees could turn to for help. We put this in place directly afterward. They also asked for franchisees in need to be offered free psychological counseling at no cost, which we instituted in 2022.

It was further suggested that certain franchisees should volunteer to act as unpaid counselors for anyone who in need—they could thus be someone to talk to other than their franchisor, family, or friends. I asked who would take on such a difficult and demanding task, and most of the people there put up their hands! Many franchisees are active in this role and can be contacted through a mentor list posted on our internal website. It must be stressed that most of the people in this meeting did not know the franchisee who did this, nor his family. They simply felt a sense of kinship and responsibility, as fellow Jims.

There are so many exceptional people at every level of the business.

Chapter 29: My Retirement Plans

These days, divisions need not be franchised to carry the Jim's brand. All we require is that they look after customers well and carry proper signage.

In 2011, we set up an insurance brokerage to serve franchisees. When we first went into this, we found to our horror that many franchisees were simply not insured. When a single major claim could effectively bankrupt the franchisee, the franchisor, and even the company, this was frightening indeed. There were some objections to this, but since our premiums are way below any other provider, they weren't hard to address.

As it turned out, we are now able to pay claims much faster than through our previous broker, which is crucial when a franchisee's trailer has been stolen and he's off work until it can be replaced.

And we have been able to keep premiums low by controlling claims.

For example, some cleaning franchisees were causing serious damage to surfaces by using the wrong chemicals. We stopped this with better training and by requiring franchisees to pay much more out of pocket to resolve the issue on such claims. In recent years, we have expanded Jim's Insurance to service the general public.

One of the people developing insurance was Joel Kleber, a young man in his early twenties at the time. Joel had a difficult upbringing. His father worked in Saudi Arabia for 50 weeks out of the year until he was 12, and his mother struggled with severe bipolar disorder. She found her condition difficult to manage, leading to multiple stays in a psychiatric ward. With no family in Perth and his father unable to leave Saudi Arabia, Joel and his siblings spent time in foster care until his mother was well enough to care for them again.

Joel was studying to become a lawyer when he began his work with our legal department, which was overstaffed at the time. He lost his position when the inevitable cuts came, but we found him a job in our new insurance brokerage. That department was in crisis, with a number of employees quitting, but things settled down with the appointment of a new and experienced manager.

I first met Joel when I took my daily walk around the different departments to chat with staff. He impressed me because of all of his excellent ideas. He had suggestions about how to improve the insurance website so as to attract more visitors, and his suggestions worked. So I put him in charge of the documents team. That had mixed results. At the time, he was single, and there were quite a few young women, so their department developed the reputation of being "party central"!

His real growth came later. Joel became interested in social media, and taught himself how to manage it—without me asking him to do so. We had no social media department at the time, and no real sense that it was important. He had a much better understanding of its value. He studied voraciously and began putting systems into place.

As much as any other person, and that includes myself, Joel has been the driver behind our growth in recent years.

He's still just in his early thirties, but he has become a respected leader. Joel has changed the lives of thousands of people. His sense of ethics is deep-rooted and clear. This was from a job that was never meant to be more than a short detour on his route to becoming a lawyer.

Joel Kleber

I've watched him develop as a confident, self-assured man, and that confidence has moved into other areas of his life. He and his wife have recently had their first baby—something he never thought would happen, as he lacked any positive male role models growing up. Amazingly, considering how his life started, he has achieved real purpose and stability—and, from what he tells me, a deep sense of happiness. I love having him in my company.

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One of Joel's initiatives was a Facebook Live session called "Ask Jim," where anyone can send in questions for me to answer. Most relate to business or some aspect of the system, but others are often about politics, national affairs, books, history, economics, or anything else. I must admit that I enjoy these last ones the most. I'm an avid consumer of books, either written or audio, and have opinions on almost everything!

I also answer questions such as how much our fees are, my advice on business success, who my mentors are, and when will I retire (short answer—when I'm dead!). I really enjoy offbeat questions such as what super power I would like to have, my favorite movie villain, and what Jim's franchise would do best in ancient Rome.

So far as I know, I'm the only franchisor in the world who does this sort of thing.

We currently run "Ask Jim" from 7-8 p.m. on the Tuesday of training, which is usually every three weeks. There is a live audience of trainees, and others watch online. Some of these questions and answers are sent out through various social media platforms, as are short interviews done by Joel. I'm told quite a few people have watched many of them. The all-time record was a joke that had more than a million and a half views!

I have also been filmed doing tasks and activities of various kinds. One video showed my technique for cutting long grass cleanly, with a catcher, a task that many franchisees find difficult in the beginning. One of the most popular showed a day in my life, featuring my treadmill run and a squash game, along with me doing email and making phone calls. Another showed me using a sledgehammer to smash a rowing machine, after finding it useless for exercise, and getting no response from the retailer who had sold it to me. After it went viral, I got a call from the retailer, who offered me my money back! You can currently see that video here, on my YouTube Channel. The original was posted on TikTok.

Even more popular were videos featuring successful franchisees. When we tell people they can earn up to $180 per hour in a mowing business (roughly $120 USD), many react with disbelief. But it's harder to argue with franchisees who show how it's done in the field, giving out their actual figures as they go. If prospects are still in doubt, we challenge them to go on a trial day and see for themselves. The key is efficient work systems, good pricing, and a focus on extras such as gutter clearing and pruning. Not that all franchisees make these kinds of earnings, of course, but we want to show that it's possible.

Chapter 30: A Serious Breach

Many of the videos star Dan Cahill, a high school dropout who worked at McDonald's before buying a mowing franchise in his early twenties. He and his wife had a toddler and were struggling to make ends meet. Most days, they ate soup and noodles for dinner, as they were unable to afford anything else. They would turn on the washing machine only after 10 p.m. because that was when the cost of electricity was lowest. They covered the windows with sheets to stop heat from entering during the summer so they could avoid using the air conditioner. And they rarely ran the heater in the winter. Instead, they piled on extra clothes and used a lot of blankets.

Dan's decision to purchase a mowing franchise was made with a great deal of trepidation, since he had never run or managed a business.

But the results were extraordinary.

By his third year, he was turning over close to $1 million a year, and employing staff he had got to know at McDonald's. The really amazing thing, from my point of view, was that he did this while maintaining a star rating of 5.0! In fact, he was our first franchisee to receive more than 500 five-star reviews from clients. Dan took what we taught him and improved on it, doing a far better job of employing people than I had, back when I first started.

Dan Cahill

He soon became restless and used some of his earnings to buy a regional franchise, selling his own franchise to four of his best workers. He now looks after more than 200 franchisees across eastern and northern Australia—a number that will probably have soared by the time you read this. He's also planning on opening up in Florida later this year. One of his talents has been to train others in his systems, with multiple franchisees achieving a $300,000 turnover in their first year. He shares ownership of six regions with me, and his portion of these regions is worth over $1.4 million.

Dan also runs a session at induction training, which is rated by trainees as equal to mine, where he discusses how he got started and the path he took to finding success mowing lawns. Tap here to see a recording of it. He was one of the speakers at a one-day seminar we organized for some of our more successful franchisees, showing them how to hire staff and otherwise expand their businesses. The talks were recorded on video and are available to all franchisees.

As a result of his success, Dan's home situation has improved exponentially.

He and his wife turn on the heater when it's cold, they wash clothes whenever they want to, and he's able to drop off and pick up his kids from school. Dan and his family take several annual holidays. He works from home with his wife, who helps run the business alongside him, and they've recently added a set of twin boys to their family. The decision to have these boys, Dan told me, was a direct result of my influence and example, and of course of his much better financial situation. It's one of the nicest compliments I've ever received! In fact, he even named them after me. Both of them carry one of my names. (Cam David and Cooper James.)

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Again, while a vast majority of stories are positive, some are negative, and high standards were the cause of a serious breach in my family. I had always remained close to my younger sister, Gill, who had moved to England. We both wanted her to come back to Australia to spend time with our mother, who was dying at the time. Mom had severe dementia and it was awful to see her that way, after her vibrant younger years. So I offered to lend Gill the relocation costs and give her a job, with the understanding that the loan would be cancelled if the job did not work out. I thought from her job history that she would do well.

Unfortunately, this didn't prove to be the case. Fellow staff members complained about her lack of motivation, and service to franchisees suffered. We tried her in various departments, with the same result. In the end, I had to let her go. This was hard because I love my sister. But keeping her would have demoralized staff and undermined our core mission of service.

What I did not realize is that Gill was seriously short of money, and she became too angry and upset to ask me for help. She was angry enough to contact a national TV network and have them run a story about this multi-millionaire who was letting his sister starve! The promos sounded pretty bad, though the interview itself went better. I think most people understood that I really had no choice.

In the end, Gill had found a new job even before the story came out, but she never forgave me. Despite reaching out to her on several occasions, she hasn't spoken to me since. I'm not sorry I brought her back home because she was with our mother during her last couple of years, but I could have handled everything better. It didn't work out well between us, even though I'm glad for our mother. Mom had had a hard life and she sacrificed much for us. I'm grateful Gill was with her when she passed away.

This story about me sacking my sister is well-known in Australia, but it sometimes gives the impression that I often fire staff. In fact, even with more than 100 people employed, we let go fewer than one staff member a year, and that is only after exhaustive efforts to find them a more suitable role.

Overall, we have remarkably low staff turnover.

My first-ever IT staff member, Stuart, joined us in 1993 and is still with us, though thinking about retiring in a few years. Two other staff who had also been with us for decades only resigned a couple of years ago.

When Stuart was offered a place at Jim's, we wanted him to begin immediately. However, he had already booked a bicycle touring trip in North Queensland, so he worked a week then took the next three weeks off. This became a pattern, with Stuart disappearing at regular intervals, sometimes for months at a time. He got married not long after starting with us and began parallel journeys of career and marriage. Although a conscientious worker, his job has never been his primary focus. Instead, he focuses on his family—foremost his wife, Kelli, who is also an avid bicyclist, and then their three children, who are now successful adults. Enabling staff like Stuart to set their own work/life balance has helped us retain them.

Stuart will tell you that working at Jim's is very dynamic, and that over the years, there have been many changes—new divisions, new business processes, and new technology. We frequently experiment with different things. Many fail, but some are huge successes. Either way, there is certainly never a dull moment, and I know my employees find a lot of job satisfaction in solving each puzzling problem. I certainly do!

Stuart will also say another balancing act for long-term employment is mental work versus physical. He praises cycling to the office as the ideal balance to a sedentary desk job. When the office was in Bayswater, he would say it was almost too close to home. Now that we are in Mooroolbark, he finds the 20-mile round trip to be plenty! The ride to work gets blood circulating so his brain is ready for the day, and the ride home functions as an outlet for any frustrations.

I try to remain close to staff, and as I have said, I regularly walk around, talking to as many people as possible. This helps me understand their needs, and it also helps with spotting talent. Joel and another senior manager were in very junior positions when I recognized their potential.

I also encourage managers to recognize ability, especially in the call center, where many of our staff begin. Thus, pay raises and promotions can come more quickly than in most places.

Although our staff aren't customers, the same principle of turning them into fans is just as relevant. I really hate losing good people, and when it happens, it's just as much a time for soul-searching as when something goes wrong with a franchisee or franchisor. We have a strong bias for hiring locally, because a short commute makes a job more attractive. We lost one superb young lawyer partly because his new job in the city was much closer to where he lived.

I try to consult staff on what they want, such as changes to seating, working conditions, or roles in the business. In recent years, we have started doing a Thursday lunch, with food and an activity put on by each department in turn. At the end of each round there is a vote on which department puts on the best lunch, with a coveted trophy cup going to the winner—you're not allowed to vote for your own department. The aim is to encourage staff to mix across the different departments and get to know each other.

We also offer a heated pool, gym, and racquetball court on site, partly for our trainees and other conference center guests, but staff benefits are just as important. To encourage healthy eating, we provide free fruit in the office, which has led to some degree of reduction in the number of chocolates and other snacks lying around!

I would like all my key staff to stay to retirement age and beyond, if possible.

It helps that constant expansion tends to open up new roles for capable people. It also helps that I spend a lot of time wandering around the office, trying to keep in touch with as many people as possible.

The exception to this stability, though, has been at the top. While I have an intense passion for the business, I'm not an especially skilled manager and have always felt the need to find someone who could handle the day-to-day aspects I can't get to, or that I don't have the skills to handle. Among other things, this includes keeping an eye on staff and managing personal relations. Until recently, no one I had hired for this role worked out. Perhaps this is not surprising, given my own fierce dedication to improving service and reducing costs. It's hard for anyone else to meet these sometimes-conflicting standards.

This all changed with Rocky Aloi. He came into Jim's through his wife, Charlene, one of our call center managers. He first bought a handyman regional franchise, and then was hired to look after the mowing division by a manager who later went on to become a highly successful franchisor. After proving exceptionally efficient at that, he took over several other divisions, with the help of key staff recruited from the call center, the source of many of our best hires. His responsibilities expanded until April 2023, when he was appointed chief operating officer.

Rocky and I complement each other.

I often come down to the office in the early evening to chat with him and other key staff. Together we come up with new ideas, which he, in particular, has the ability to put into practice.

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It is important to note that all of my successful innovations have been within Jim's Group, a business I understand well. Over the years I have launched several businesses in other areas, none of which worked out, and they have cost me millions of dollars.

One was a trade exchange, a kind of electronic currency aimed at helping businesses trade with each other, which I thought we could do better than others in the field by using advanced IT systems. It turned out we couldn't.

Another was an institute to teach psychology, in partnership with Tony Paolini, who was running my Biohistory research project at the time. I hoped this would form the basis of a much-expanded research institute, but that didn't work out either. After losing millions on the project, I handed it over to Tony in return for a small ongoing royalty. It still continues, but without any involvement by myself or Jim's Group.

Then there was the factory I set up to make fiberglass trailers for our dog wash division, another business about which I knew nothing. This wasn't a total failure, as the trailers were good quality and we were able to develop a much better design. But it ran at a substantial loss, and we eventually went back to relying on experienced suppliers to do the job instead.

In all these ventures, I proved to be a poor manager and not effective at hiring the right managers. I wasn't good at focusing on the nitty-gritty of the business, especially one outside our area of competence, and I persisted too long before giving up.

I proved to be far more successful at working to improve the business I knew best, which was Jim's Group.

Chapter 31: The Biggest Impact of Technology

IT has been at the core of Jim's almost from the early days. When we first launched in 1989, our man-powered system of directing leads only to franchisees who wanted them cost more than the fees we charged. Only computers ended up making it cost-effective, and we were able to add more features with time. For example, we made it possible for franchisees to let us know they offered same-day service for clients who would only book if this was guaranteed. This meant they could be sent jobs that would otherwise have been lost. They might opt to take leads from different areas on different days of the week, thereby reducing travel. They could be informed of any unserviced leads in nearby areas. Repeat clients were recognized by address when calling the office, improving the speed of response.

We developed a program called "Jimbo" to help franchisors keep in touch with franchisees. It reminded them who to call, dialed the number, and then, after the conversation, allowed the franchisor to dictate a note which would be stored in our system. All this could be done by voice, for instance while driving.

Jimbo has made it possible for franchisors to spend more time talking to franchisees and less on administration.

However, the biggest impact of technology has been on customer service, which has improved dramatically as a result of our complaint and survey systems. This in turn has greatly increased the number of leads coming in. In 2023, we received close to a million work requests from customers, of which nearly a quarter went unserviced. In one division, fencing, we were saying "no" to more customers than we were accepting. We were spending less in advertising per franchisee than in the past, and in some divisions, we were able to give franchisees back some hundreds of thousands of dollars in unspent funds.

A further benefit of this demand for service is that around 75% convert into jobs because customers trust the brand and are even prepared to pay a little more. Franchisees want to spend their time working, not chasing after competitive quotes.

It's one reason why we've streaked so far ahead of franchised competitors in Australia.

One of our mowing franchisees defected to a competitor following a disagreement with his franchisor, and his income dropped by two-thirds, as a result of poor-quality leads. After a few months, he came back (his franchisor having moved on in the meantime), bringing another franchisee with him. Since then, he has flourished, and is earning a 4.9 rating. We're happy to have him back!

We also used Jim's Legal to represent him, without charge, against our rival when they tried to enforce their non-compete clause. Jim's Legal is our law firm, run by licensed attorneys. They do quite a bit of work in such areas as commercial disputes, wills, debt collection, and so forth. This is partly for our own franchisees, but mainly for members of the public.

We don't make it difficult for our franchisees to go independent, if they wish, charging a small fee or even waiving it entirely in some cases. Quite a few fail within a few months, but it's not uncommon for others to want to come back. If they have a good customer service record, we always accept them, usually without charge. This has become so common in recent years that we occasionally phone ex-franchisees to check on how they are doing and make the offer.

Unserviced leads can make it easier to sell franchises. Prospects commonly ask us whether there will be enough work to keep them busy. One of our best sales tools, therefore, can be a summary of unserviced leads in their area over the past month or so.

But having to say “no” to so many customers does not help our reputation with the public. This began to be a serious problem in the years leading up to Covid, when our franchisee numbers had reached a plateau. For several years, we had been steady at around 3,800, while demand for our services continued to rise. The economy was booming, and it’s always difficult to recruit franchisees in good times. Layoffs and redundancies are down, and fewer people are interested in striking out on their own.

This made the problem of unserviced leads much worse.

During this period, I approached the advisory committee with a proposal that we sell our unserviced leads on to competitors. This was based on the standard practice of retail outlets—if they can’t satisfy a need, they direct the client to someone who can. Giving the customer a referral means they are more likely to come back in the future, even if it is to buy a different service. We thought the same logic would apply to us. If we couldn’t help a customer with a mowing job, but referred them to an excellent independent, they would be more likely to use us if they wanted (say) pest control.

After a great deal of planning and IT expenditure, we set up a department to do just that. We called it “Bizza,” a take on the word “business.”

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These days, when a client calls or tries to book online and we have no franchisees available, the system checks to see if there are any independents ready. If so, the client is offered the option, typically with reference to their star rating. Independents are rated in the same way as our own people, based on customer surveys. But there are important differences. A Jim’s franchisee who fails to look after customers properly is given ongoing coaching, a formal warning, then a breach notice and further training. Only if all this fails are they terminated or denied further work, neither of which is common.

By contrast, an independent contractor is given much less leeway. If they fail to service clients properly, they are warned and given some coaching. But if they continue to give poor service, they are simply dropped. They have a strong incentive to stay with us because our leads are better than anyone else's. Competitors in this field normally give leads to several contractors to compete against each other, and they also charge a minimum monthly fee. We only send our leads to one contractor in each area and for each division. People who call Jim's usually want good service rather than just a cheap price, which is why customers come to us. Thus, most leads tend to convert into jobs, and at a reasonable price. Also, we only charge contractors for the leads they take. Moreover, the first three are free.

In fact, the only major complaint they give us is that we don't have quite enough leads. In some areas and for some divisions, we have very few leads available because franchisees take them all, or because a number of contractors are competing with each other for the same non-Jim's leads. In other areas and divisions, we don't have any contractors and the leads go unserviced.

If contractors want more work and their service is good, we suggest they buy a franchise. Since they're already in business and have shown first-rate customer service, we typically offer one for free, or at a steep discount. Depending on the division, this could be a saving of up to $20,000. Those who take a franchise tend to see a surge in their income.

Another advantage is the money provided by selling these leads. We promised from the beginning that any benefits would go to franchisees, since it was their advertising that generated the extra work. There was not much profit at first, after covering set-up and running costs, but 2023 saw a surplus, and this year there should be more than $1 million. Benefits offered to date include free seats at football games, heavy discounts on holiday accommodation and meals, and large-screen TVs at a fraction of retail price.

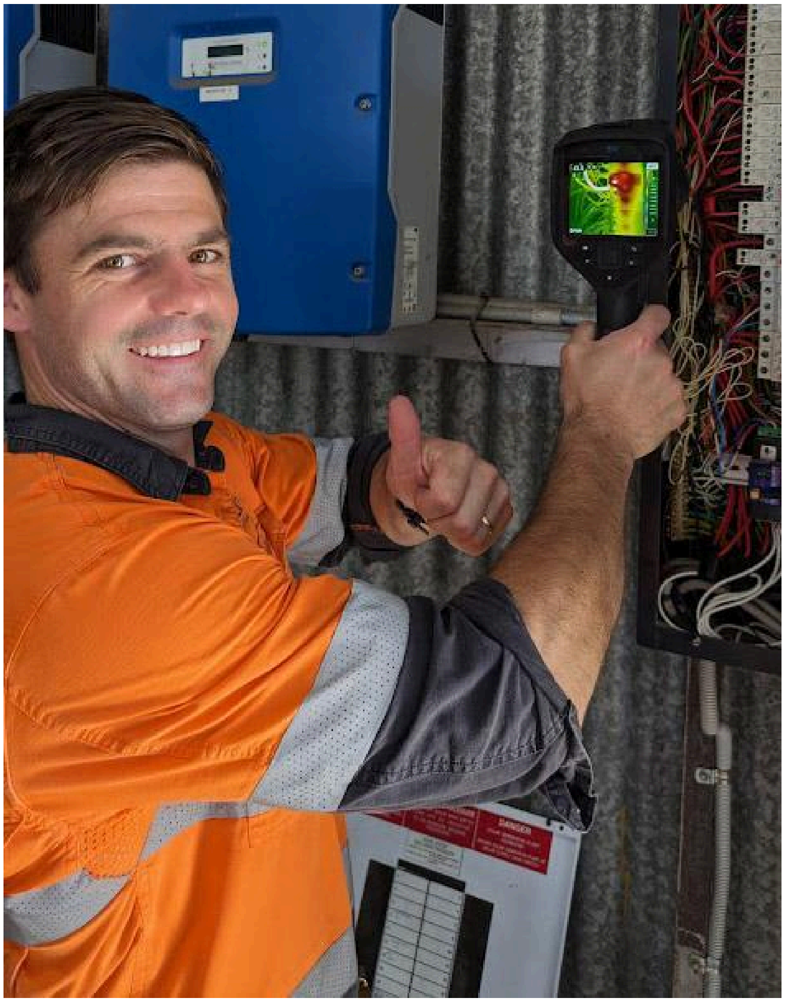
Some franchisors objected to Bizza in the beginning because they felt franchise sales might suffer from offering prospects a cheaper way into business. They were also concerned that franchisees might be more likely to go independent, knowing they could still get work. To meet this last objection, we have barred ex-franchisees from the system for at least a year, but so far there's no sign that our numbers have been affected. In fact, we're growing faster than we have for more than a decade.

One of our best Bizza contractors is a young man named Josh Forrest. Josh spent a few years in the army, then embarked on a journey to start his own test and tag business.

While he enjoyed the work itself, Josh found it difficult to attract clients, especially good ones, despite his relentless efforts. He had a mortgage to pay and bills to keep up with, but his business wasn't doing well—all of his marketing efforts seemed to have been wasted, and the income from his services was extremely poor. Moreover, all of the marketing strategies he tried lost him a lot of money and didn't lead to better results.

At one point, things became so difficult he considered re-enlisting in the army just to have a steady paycheck.

His best friend from the army was also looking for work, so they decided to team up to see if they could improve results together. They worked tirelessly to bring in clients, but again, things continued to creep along. And then they discovered Bizza. It was a game-changer for them. It brought in a steady stream of good, reliable leads, which I've been told have converted to good, reliable clients. The return on investment was high, especially compared to the small amount of marketing they needed to do.



Josh Forrest

Not only that, but our trainers gave Josh tips on how to close, so his ROI got even better. His business grew so well that, eventually, he had to hire two more technicians to keep up with the demand. Josh is flourishing now, and we're very pleased to be able to assist him with his goals. I would love one day to welcome him as a franchisee!

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I wish I could say that progress with technology has continued smoothly in recent years, but it hasn't. We persisted far too long with an outdated platform, only realizing recently that a system developed in the 1990s was no longer adequate. We have now embarked on a rewrite of our entire franchise management system, which should be finished by late 2024, while still making improvements to the existing one.

Our problems with software for franchisees have been even tougher. Early on, we wrote a program called "Jim's Jobs," which operated on a PC and allowed franchisees to print out run sheets. This proved highly popular and effective.

But in the age of the internet and mobile phones, we needed something much better. Franchisees should be able to run their entire business on mobiles, from taking leads to scheduling jobs to quoting and billing clients. So, in 2020, we started work on a wholly updated version of Jim's Jobs. Currently this is used by more than 1,000 franchisees, but we are still working on features and improvements.

Staying too long with outdated systems has proven seriously costly, not only in money but in loss of the benefits we could have achieved by doing it all much earlier. We're not a technology company, and the learning curve has been steep. But we have the benefit of dedicated and capable IT people who have an in-depth knowledge of our systems. And all of us share a deep understanding of franchisees and their needs.

The IT revolution of the past few decades has brought immense changes to business, and ours as much as any. Jim's in its present form would be quite impossible without it. This could be one reason why we're so dominant in Australia, because only we can afford to invest millions of dollars a year in software development. The amazing point to consider is that we're only just at the start of what technology makes possible.

It's also comforting to know that we're almost the last industry that could be threatened by it. Manufacturing can be outsourced to China, programming to India, accounts to the Philippines, and legal research to AI.

But it's not plausible to outsource cleaning a house or washing a dog to another country, and such activities are far beyond what any robot could do.

Chapter 32: Our Reaction to Covid

Our first reaction to Covid in early 2020 was fear. Nobody knew how serious it would be or what effect it might have on the broader economy. Would we be shut down as the pandemic raged out of control? Our conference center did get closed for a time, but it quickly became clear that Jim's Group was not too badly affected. Leads actually went up, and my office staff adapted magnificently to working from home. With so many businesses shut down and plentiful work, franchisee numbers started to rise.

Restrictions were placed on public gatherings such as at sporting grounds and restaurants. But initially, there were no restrictions on independent tradespeople continuing to work. This made sense. After all, a gardener or dog groomer doesn't need contact with the public or anyone else. Payments could be made electronically and clients communicated with by phone. They would actually be far less of a risk to themselves or the public than if they were out of work, going to the gym, buying fast food, or stocking up on booze, all of which were allowed. In Victoria, regulations were posted by the Department of Health and Human Services to make this very clear. Independent trades, like our franchisees, could continue to operate.

Four days later, the Premier of Victoria, Daniel Andrews, held a news conference. In it, he completely contradicted his own government's guidelines. He said no one was allowed to get their lawns mowed or their houses cleaned. It's significant to me that he thought only of those who could afford such services.

And not the tens of thousands of vulnerable people needlessly thrown out of work.

I was furious. In an interview with a national TV station, I pointed out that a casual statement by the Premier did not override the law of the land, which had been established by the regulations. This meant that my franchisees were legally allowed to work and would not be fined if they did so. Based on my position, and to give the franchisees reassurance, I offered to pay any fines. This was because, with the law as it stood, there would *be* no fines!

What I hadn't realized is that the station would edit my response, leaving out my statement that the law hadn't actually been changed. It was made to appear that I was advising my franchisees to break the law.

I also assumed at the time that the Premier had not understood his own regulations and would backtrack when he was informed. After all, there could be no sensible health reason for shutting down sole contractors. Experience was to prove that the Covid death rate in Victoria was higher than in other states which didn't impose such drastic measures. I believed at the time that no decent man would throw more than 100,000 people out of work to avoid the embarrassment of a minor correction.

I was wrong, and the regulations were soon changed to reflect the Premier's comment. When this happened, I advised Victorian franchisees to obey the law and stop work, and we of course suspended all franchise fees. I hadn't been preaching defiance of the law, even though it was a bad law and not based on any form of health advice. In fact, in later years I ran a lawsuit against the Victorian government, asking for the health advice behind the lockdown. They flatly refused to provide any. Clearly, there had never been any health advice. In my view, it was pure politics.

But the initial reaction to the TV interview was a perfect storm.

I was bitterly criticized on social media, with the great majority of comments being negative. I was seen as having been irresponsible, encouraging people to break the law, being a danger to public health, and putting people's lives at risk. Not only that, but two of my daughters—one living at home and stressed by Covid isolation—refused to speak to me for months.

This senseless lockdown caused a great deal of misery. Nearly 1,000 Victorian franchisees had my direct phone number and email address, so I was hearing every day how bad it was. Even government support didn't make up for the loss, and some didn't have that support. For example, I heard from two young women on student visas who were without any form of income and facing eviction from their homes.

It wasn't just the financial pressure, but the lack of activity and purpose. Like anyone else, independent contractors take pride in the work they do, and in the way they help clients and improve their lives. Elderly people, in particular, depend on the people who look after their yards and clean their homes. Clients often become personal friends. My franchisees badly missed this sense of purpose. And then there was the emotional and personal strain. I know first-hand of two men who lost their marriages and homes as a direct result of the lockdowns. Others told me of suicide attempts within their families.

So, I was determined to continue speaking out, regardless of the hostility from some members of the public. My aim was to get my people back to work, and, even after that, to make it harder to impose such senseless rules in the future. But from this time onward, I was a lot more careful about what I said. We even took the precaution of filming interviews in advance.

The result was a targeted campaign through Joel Kleber and our PR agent, Tess Lazarus. I wrote several open letters to the Premier, published through social media and in the national press.

I asked what evidence he had that a gardener working alone would be a menace to public health.

He never replied, but the message had clearly got out. The result was newspaper stories and a series of live interviews for me on TV and radio. The media liked me because I was outspoken and angry, and I knew firsthand of the damage the lockdown was causing.

At this point, something surprising happened. Gradually, public opinion began to move in our favor. People were incensed that gardeners working for local government could do the exact same work, even in groups. I received many photos showing just this. Some of these workers even wrote to me, agreeing that the distinction was senseless. People would stop me in the street to offer congratulations for taking a stand. Our logo had been well-known for decades, but without a beard or hat, I was usually more or less anonymous.

Now I could no longer be anonymous.

One thing that especially pleased me was the independent contractors who contacted me, thanking me for supporting them. We are in fact only a part of a much larger industry, and I was seen as the one person standing up for them.

My position was not extreme. I was against senseless regulations that had no clear benefit to health, but had no problem with such measures as the banning of large gatherings. I missed eating out and especially going to church, but thought it reasonable. I also supported the Covid vaccinations and ran a campaign to promote it. In the end, I was getting more opposition from anti-vaxxers than from people supporting extreme lockdowns.

Though the Premier claimed never to have read my open letters, the campaign probably did have an impact. There was a second lockdown the following year, from which independent contractors were specifically exempted. The one exception was dog groomers, who were forbidden to operate even though grooming salons stayed open. In other words, dog groomers were no danger to public health—so long as they worked in groups! This was blatant politics, of course. The Premier needed the vote of the so-called "Animal Justice Party" to get his measures through State Parliament. Eventually, and perhaps partly as a result of our pressure, this was also reversed.

Through these grim months, there was one thing that really warmed my heart.

Our people looked after each other.

Melbourne's franchisors kept in regular touch with franchisees, even though they weren't charging fees. Support poured in from all over, with one test and tag franchisee in Melbourne offering financial aid even though his own business had been shut down. The young women mentioned earlier were given food vouchers and other help. Franchisees often talk about Jim's as an extended family, but I never felt it more strongly than at this time.

As the lockdowns ended and life began returning to normal, another unusual trend took shape. We began to grow again. After several decades of steady growth, franchise numbers had been static in 2018-19. Now, franchise inquiries surged. At first, this may have been a direct result of Covid. Many people were thrown out of work by the epidemic and needed a job. And clients who had been unable to eat out or travel overseas had more money to spend on services, so we had plentiful work.

But growth continued even as things returned to normal and the demand for labor soared. "Help Wanted" signs began appearing on shop windows, something I had been struck by in America but never before seen in Australia. This was the tightest labor market in decades, and by all past experience, we should have struggled to find franchisees. And yet we grew.

One reason was my public stance over the lockdowns, which had led to regular appearances in the media. There were appearances on national TV, usually either filmed in my front garden or by Zoom from my study. Also, there were several newspaper articles. I was an angry and articulate voice for those who had been needlessly thrown out of work.

Though my stand against the lockdown aroused fierce criticism, it was not from the kind of people who were likely to buy a franchise. Our prospects tend to be independent-minded, and what they saw was someone passionately standing up for them and their interests. Even now, people tell me this was a crucial factor in their decision to buy a franchise.

Chapter 33: Royal Banquets and Coffers

One such buyer was Orlando Lumba, Jr., who bought a franchise during the Covid era. Orlando had been working in the finance field and was at the peak of his career when he decided to walk away from an excellently paid job. He'd struggled with depression and anxiety off and on throughout his career, but the business he worked for really pushed him to the limits during Covid. They continued growing and acquiring more companies, placing a great deal of pressure on him to manage far more work than a normal person could.

The depression and anxiety he experienced during that time were much worse than at any previous time of his life. Orlando exhausted all of his personal and sick leave, seeing doctors twice a week who ordered constant tests to see if there were underlying causes to the way he felt. His depression and anxiety were so deep, he couldn't bring himself to perform even simple exercise routines.

Orlando realized he had three options:

First, toughen up and continue working.

Second, look for a new job during a time when no one was hiring.

Third, start a business.

The thought of staying at his job was impossible to bear—it would leave him with crippling anxiety—and he knew he wouldn't have luck finding a new job. Therefore, he left his career of 22 years to start out on his own as a Jim's Cleaning franchisee.

Handing in his resignation was one of the most liberating things he'd ever done. The weight on his shoulders lifted, and his mind started to clear. His future was no longer dark and depressing, but light and full of hope and potential. Starting a franchise was scary, but according to what he told me in our interview, it was one of the best decisions he'd ever made.

Orlando's initial goal was a modest one. He wanted to address his mental health challenges and hire his first staff member by the end of a year with us. Quickly, though, he found that depression and anxiety weren't an issue any longer, and by the end of that first year, he had hired several staff members. He really loved what he did, and he especially loved the success he was having. In fact, Orlando won our Revenue of the Year award for 2023, just two years after he started his franchise.

David Thompson, a friend of Orlando's, was skeptical at first. Orlando had invited him on as a partner when he first started, but David wasn't ready to join at that point. He wanted to know it would work out, so he could judge whether it would be worth leaving a reliable job to join. He had been working as the fire safety manager at St. Vincent's hospital for 13 years, and, despite declining mental health, the steady paycheck was reassuring. But the grind of his long commute—over an hour and a half each way—and having to get up before 5 a.m. was wearing him down.

Seeing Orlando's continued success spurred David to take action. He and Orlando were planning to have him join in July 2024, but instead, he left his job in February 2023.

Working together, their level of success has far exceeded anything they thought possible.

They now have 12 employees while maintaining a perfect five-star client rating, and making an excellent income. It has been an exciting experience for them, and it's exciting to watch them grow and succeed.

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Orlando and David may also have been influenced to join us by the intensive social media campaign run by Joel Kleber. My ability to act as a front man for the company came in handy, and it always helps that the company is named after me!

Our anti-lockdown campaign also gave rise to the most successful of our April Fools' jokes. We had been running these for several years, as a way of having fun and gaining some light-hearted publicity.

One year, we announced our intention of buying King Island in Bass Strait and renaming it "Jim's Island." Other gags were that we were going to launch a cryptocurrency or start an airline. A surprising number of people would fall for these. One time, when a contact from News Corp rang me about the airline, I simply said to him, "Jason, look at the date!"

In 2023, when our campaign was fresh in people's memory, we announced that our national HQ would secede from the Commonwealth and the State of Victoria to form the independent state of "Jimland." We would have our own flag, currency, and stamps, and, as "King Jim," I would bestow citizenship on grateful subjects who would contribute to the royal coffers. We would then apply to rejoin the Commonwealth as part of the State of Tasmania. This would be a way of having a go at the Premier. Joel even did a video of me in my royal robes, waving a scepter and conferring knighthoods! You can see that video and my announcement of Jimland on YouTube here.

This came out in several newspaper articles and many people took it seriously, helped in part because a media leak caused it to be released a day early. There was quite a bit of outrage in elements of the press and social media, with some people suggesting that I had become mentally unbalanced! For a time, #jimsmowing was trending number one on Twitter in Australia, with quite a few papers running double-page spreads. There was even a drawing in our main Victorian paper of a giant "King Jim" statue up against a smaller Daniel Andrews.

All of this was a lot of fun. It also raised several thousand dollars for charity, mainly from selling citizenships and knighthoods, complete with certificates and (for some) an investiture at a "royal banquet" in our conference center. This all went to Men's Sheds, a movement that helps men find companionship by encouraging them to work alongside each other in well-outfitted workshops. As franchisors, we are all too aware of the importance of mental health.

We also ran a lawsuit against the Victorian government, demanding compensation on behalf of a franchisee who had been thrown out of work by the lockdown. We cited the Public

Health and Wellbeing Act 2008, which states that any citizen deprived of livelihood without just cause is entitled to be paid. We took this to the small claims court in Victoria and lost, with the court accepting the government's argument that there was just cause, but that they didn't have to tell anyone what it was! In reality, what this confirmed once again was that the Premier had not had a valid reason for his actions.

He could not cite any scientific or health-based study because none existed.

This was not a surprising result because the magistrates are appointed by the State government and thus not truly independent. But the main purpose of this campaign, in any case, was to continue putting pressure on the State government. We wanted to ensure that the mistakes of the Victorian lockdown would never be repeated.

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Renee Johnson has told me that Covid was a stressful time for her. Her husband had always been the sole breadwinner, but a freak accident at work tore his biceps tendon off the bone. Because of Covid, his surgery was delayed. That hold-up led to permanent damage, even after three surgeries.

As a result, he was no longer able to work, and providing for the family fell on Renee's shoulders. Unfortunately, she has multiple autoimmune diseases, which made working full time difficult. With her husband's disability and her health struggles combined, they couldn't afford a mortgage and were struggling to pay the bills and rent. His mental health dropped to dangerous levels—he felt he'd lost his identity because of the accident. They had resorted to searching between couch cushions to find money for bread and milk. They had even sold their cars, desperate for relief from the financial stress.

Realizing everything depended on her, Renee met someone from Jim's. As she said, "Something just clicked. I knew Nicole (her Jim's franchisor) was my sort of person."

It only took Renee a couple of days to make her decision.

At the time, she was cleaning buildings for a woman who was only paying her $200 to do an entire place. That woman was earning $2,000 for Renee's work. After learning this, Renee decided it was time to take charge of her situation, and she purchased her first franchise.

They're now in a much better place financially. Renee is able to take her daughter, who has autism, to her many appointments. She's able to be fully present as a mom now. Renee built up two franchises and sold them, then started a new one and has built that up as well, selling off sections of it. She now works alongside Nicole as a training and support manager, mentoring new franchisees on how to grow their businesses.

Renee has had people ask why she doesn't leave Jim's now that she's fully established. Her answer? "I'd never leave. I get all the support in the world that I need and want. I love it here."

Chapter 34: No Other Success

Covid caused a lot of isolation and depression. In life, there are many things beyond our control, but we mustn't ignore the ones within our control. And so, I'd like to close this book on the subject of happiness. Everyone wants to be happy, but many people are unsure how to achieve it. Here are some approaches that have worked for me and which have wide support from scientific studies.

I exercise vigorously at least half an hour a day and spend a lot of time outside in contact with nature, as one of my main hobbies is gardening. I love my wife, attend church regularly, spend time with family and friends, and commute as little as possible. I eat a lot of fruit and vegetables, maintain a proper weight, and don't smoke, drink, or take mind-altering drugs. If you tap here, you can see a video Joel did showing a typical day for me.

One of the most common myths is that spending on "status" goods, such as cars and luxury homes and clothes, is necessary for happiness. Until recently, I have never owned a new car. I live in a modest house and buy my clothes from K-Mart. I have little debt and spend most of my net income on my research project.

This works very well as a recipe for happiness. I feel a deep sense of gratitude for my life, and I am profoundly happy. The key point I'd like to make is that none of the above requires more than a decent living wage, as earned by any reasonably successful tradesman. And you don't need to buy a franchise to have these benefits, though a system like ours makes it easier to get started.

In surveys of different professions, gardeners and other outdoor workers come out as among the happiest. I truly enjoyed my time as a mowing contractor, cleaning up unkempt properties and building relationships with my clients. And it's striking how many of my mowing guys are still active into their 70s, with one just having passed his 80th birthday. But even cleaners are far more active than workers chained to their desks. Too many people think that working with your hands is somehow a worse job than punching a computer terminal. Studies on health and happiness suggest it is not.

Studies have found that long commutes are a major drag on happiness, and independent tradespeople typically commute less than office workers. Most of my people hardly commute at all. Our territory system lets them focus on areas close to home, and, if they use it properly, over time they take more and more local work, so they need to travel less and less. Many choose to live in rural or seaside areas, where housing is cheaper and they can find a sense of community. We do everything possible to foster connections within our system, including regular meetings and frequent contact with franchisors. And I would strongly advise any independent contractor to join a local trades group for the same reasons. Friendship and community are the soundest basis for mental health and wellbeing, especially for men. All the causes we support are focused on this area.

Chief among these is Men's Sheds, which promotes workshops set up with tools and materials where men can build alongside each other, doing carpentry, fixing things, and performing other manual tasks. It creates a sense of fellowship in our modern world, where so many of us work alone. There are over 3,000 Men's Sheds across 12 different countries.

The same applies to my staff. I don't like staff working overtime, except in emergencies. If I see someone working late, I'll often tell them to go be with their families. And while I regularly send emails on weekends, holidays, evenings, and even the middle of the night, I make it clear that I don't expect them to reply or even read the emails until the next working day. Staff are stakeholders in the business, just as much as franchisees.

I could not justify ignoring their welfare just to increase company profits.

The same applies to perks such as fresh fruit, our on-site health center, or our weekly staff lunches. We make no attempt to justify such things in financial terms, and it's quite possible they don't pay off in that respect. On the other hand, having staff who are relatively healthy, happy, and well-rested doesn't hurt the bottom line.

Either way, when I read about tech startups that demand 16-hour work days and no private life, I find it appalling.

People in high-stress city jobs often think they need the clothing, the car, and the fancy restaurants to impress others. An independent contractor doesn't need to compete for status by having the flashiest car. We don't need to dress to impress and can use that money to pay down debt and build assets. A book called *The Millionaire Next Door* by Thomas J. Stanley points out that the typical American millionaire is not a business executive, but a contractor.

Most of all, an independent contractor has both flexibility and time. I started this book with a story of a supermarket manager who bought a mowing franchise so he could have breakfast with his four-year-old son. Over the past ten years, he has had the privilege of seeing his son grow up, something that no amount of money could buy.

Or consider Audree and Tony Azzi, who started their Jim's Dog Wash three years ago. They tell me that their lives have transformed in incredible ways. Previously, Audree was struggling emotionally, physically, and financially. They were living paycheck to paycheck, unable to adequately provide for their family. Now, they work full time together, managing four trailers and multiple subcontractors. Audree tells me that running a successful Dog Wash business has been life-changing, allowing them to achieve stability and thrive in ways they never thought possible. They now spend time with their family, and they've found a balance between lifestyle, business, and health.

Audree and Archie, a customer's dog

And bear in mind, the work itself can provide a sense of purpose. So many of my people tell me they take pride in helping others, especially elderly clients who might not see anyone else the entire week. One of the most distressing aspects of the Covid lockdown, as so many told me at the time, was this lost sense of purpose in their lives. Covid affected me as well, but I had—and have—a profound sense of purpose in my concern for the welfare of my franchisees. I really do want them to call or email me, including during evenings, weekends, and public holidays. And I usually respond within hours. Receiving a positive message about how someone's life has been turned around is a wonderful blessing.

More than 5,000 families depend on us now, and that's a heavy responsibility.

I'm proud of the support we give, the fact that 88% of our people survive their first year, and the fact that 91% report good or satisfactory income. I know that we have affected thousands of lives for the better because I hear these stories every day. The ones cited in this book are only a fraction of the whole.

I'm often asked about my goals for the business, for instance in terms of profit or number of franchisees. I have never set such goals. The one supreme goal I would set myself is that no franchisees report poor income, which we'll probably never reach—but we will never stop trying.

Given near perfect health, I can expect to live another 20 years or so, and I do not intend to retire. My greatest fear is that, after I am gone, some blood-sucking corporation will take over and rip off my people, the way that Retail Food Group did when they bought so many great franchise systems and cared only for the bottom line. I have set up a family trust, to be run by my children and their spouses, along with representatives from Jim's Group and the research foundation. All new contracts have a clause that says that a controlling share of Jim's Group cannot be sold without written approval from a majority of franchisees. I hope that will make a sale impossible, though I can't control everything from beyond the grave.

I have a profound sense of purpose with my research project, which was my key aim in starting Jim's in the first place. As discussed earlier, my PhD thesis was based mainly on history and cross-cultural anthropology. It suggested that society and the economy reflected the character of ordinary people, and that this character could be changed.

Though it was based on history, the implications were all to do with physiology. If we could work out a way to mimic the effects of food restriction without requiring people to go hungry, there would be huge benefits. These could include treatments for anxiety, depression, and addictive behavior, as well as for behavioral problems such as child neglect and poor work habits. To do this would require a research institute.

Back in 1982, such a vision would have seemed absurd.

I was a lawn-mowing contractor with massive debt and no business experience. But even on my darkest days, I never forgot my goal, continuing to work and study whenever possible.

Now, 43 years later, we have a multi-million-dollar research institute based at La Trobe University in Melbourne, headed by Terry Johns, an internationally respected academic, and with studies having been published in several high-ranked journals.

This is where most of my share of Jim's Group income goes, and hopefully will still go after my death, rather than into the expensive toys and luxurious life that successful men are expected to enjoy. They buy such things because they believe that is the way to achieve happiness. What I've learned, and my personal experience reinforces, is that those beliefs are wrong.

Yes, my research and work give my life a profound sense of purpose. But then there is family, perhaps the greatest key of all. And here, for a long time, I did less well. I saw my three unsuccessful marriages as an immense personal failure. In 1999, after my third divorce, it seemed things could not possibly get worse. I hated living alone, missed my children, and missed having that one relationship that gives so much meaning and joy to life.

And then I met Li.

My hopes were modest—more children if possible, and a marriage that would simply last. With such low expectations, it's still hard to grasp the amazing miracle that took place that crisp autumn evening. Over the past 23 years, our love has become warmer and more passionate with time. Li is my closest friend and my partner in faith.

Nine of my children. 2010, the year Aaron, my youngest, was born.

As I said, the title of this book, *No Other Success*, is short for a quote by J.E. McCulloch, popularized by David O. McKay, that says, "No other success can compensate for failure in the home." My wife and children are my life—I would be lost without them. And yes, I've been successful in business, but that success pales in comparison to the amazing people my children are turning out to be.

Richard, my oldest, is a programmer working for Google at a very high level. He is married to Eva and they have two boys. He’s a deeply devoted and involved father. Andrew has a neuroscience degree and has helped me with Biohistory, playing a big role in the production of my books. I already mentioned that it was his idea to write the smaller and more popular version. He also produced the videos available at biohistory.org. He’s currently working on a complex video game that uses his artistic talents.

David is also a programmer, but has rejected job offers and prefers to focus on his own projects while working part-time at a supermarket to pay the bills. He’s married to Caroline, with one son and another child on the way. He’s also an exceptionally doting father. Sarah is a psychiatrist and is married to Markos. They just had their first—a daughter.

James is a lawyer. He and Catherine were married last November. Thomas works in marketing in the Philippines. Jasmine has a master’s degree and is working at a high level in the arts community. Sylvia is a capable budding entrepreneur. At the age of 22, she has been offered a management job with a profit share.

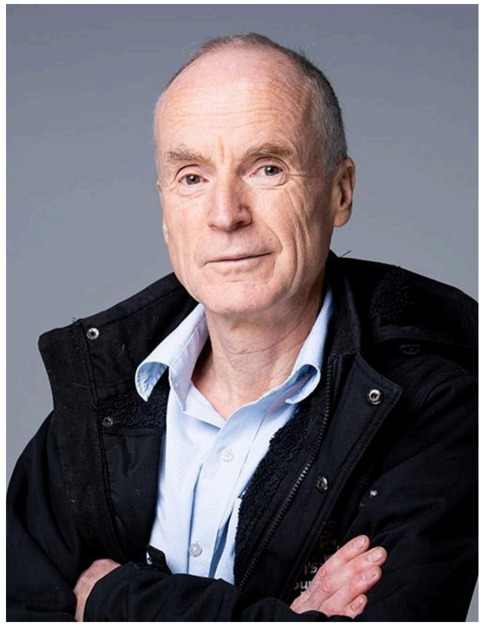
Esther is studying social work and is an active performer in student and other stage productions. And Aaron, my youngest, has an exceptional and lively mind and is loved by all. As I mentioned at the start of the book, I drive him to school every day and cherish the time we spend together.

The children Li and I have together, including Aaron

Some of my children are highly ambitious, while others are not interested in money at all. But all of them who have been blessed with children are good parents. They also look after each other and their mother. In fact, my oldest children have bought their mother a flat, putting up all the money themselves. They’re a really wonderful bunch, and I’m proud of them.

Over the years, I’ve had many failures, but I’ve also been blessed with a lot of success in business and finances. That success pales in comparison to the joy I’ve found in my family.

About the Author



David James "Jim" Penman is an Australian businessman, entrepreneur, and researcher. He is best known as the founder and CEO of Jim's Group, a business he started with a $24 investment as a side hustle to fund his research and make ends meet.

Now, Jim's Group has operations across Australia, New Zealand, Canada, and the UK, with over 5,000 franchises and 40 divisions, including Jim's Cleaning, Jim's Dog Wash, Jim's Mowing, and many others.

Jim's philosophy is refreshingly simple: *prioritize your franchisees' well-being and relentlessly improve customer service*. He doesn't just preach it; he lives it. Jim remains deeply involved in daily operations and is readily accessible to both franchisees and customers with significant concerns.

Enabled by the success of Jim's Group, he established the Biohistory Foundation and has co-authored ten peer-reviewed papers to date in respected journals, including *Behavioral Brain Research* and *Physiology and Behavior*.

But Jim isn't all business. He's also a loving father and husband who believes that success at home goes beyond any other success, which inspired his memoir's title: ***No Other Success: How a Lawn-Mowing Business Transformed Thousands of Lives.***

To keep in touch with Jim about Jim's Group, Biohistory, and many other matters, check out the following:

Jim's Website
Biohistory
Facebook
X
Instagram
TikTok
YouTube