

Lord of the lawn mowers

There's only one way to explain how Jim Penman turned a pocket-money gardening job into the million-dollar franchising empire of Jim's Mowing—and that's in his own words. Christian Dige runs a light editorial roller over the result.



I STARTED MY OWN BUSINESS AT THE age of eight. Our neighbour over the back fence was a Mr Tapley, who seemed at the time a very old man. I knocked on Mr Tapley's door doing bob-a-job for the Cub Scouts, and he let me rake his gravel driveway.

This continued as a regular commercial arrangement. I would rake the drive, pull weeds, or do any other job that needed doing. He used to pay me two shillings a week.

I learned a lot from Mr Tapley. One day there was not a lot on, so he asked me to carry some rubbish to the incinerator. On checking the job afterwards, he found some leaves and branches that I had dropped along the way.

He said: "If you're not going to do it properly, there's no point in doing it at all."

Mr Tapley was a gentle man, who never at any time raised his voice. Perhaps that is why I still remember so vividly my shame—and the determination never again to let him down.

I first started in the mowing business in 1970 when I wrote a notice with my price and the services, and asked the local hardware merchant to put it in his window. I was asking \$1.50 an hour and it generated three clients.

To make better money I had to get off hourly rates and on to fixed quotes. I figured on \$5 for mowing a lawn. With each lawn taking 30 minutes, this could earn me the dizzying sum of \$10 an hour. But no-one was going to pay me \$5 while using their mower, so I would have to buy my own. Which meant taking the leap into the entrepreneurial world of spending money so as to earn more. Probably the scariest decision of my whole business career.

Without any money, I managed to convince the bank manager to lend me \$1,600 for a second-hand Kingswood; out of that I paid \$200 for a bright orange lawn mower known as the 'Pope'.

The art of selling

After a long stint of mediocrity spurned by laziness, I had gotten married in 1982 and was determined to start growing the business. After being defrauded of my entire customer base by someone who sold me pipe dreams and wrote dud cheques, I started over again with \$24 in the bank and by late 1983 the business was really taking off and flying.

Flying straight into a brick wall. Once

again I hit a problem, and once again it was me. Finding clients was not hard, as before. And I could get them serviced, however poorly, by my subcontractors. But selling mowing rounds with any regularity was a problem because I couldn't sell.

I had *never* been able to sell. I tried selling encyclopaedias door to door, and failed. I tried canvassing for a paint company, and failed. I telemarketed for another business, and failed. I had no people skills. I couldn't take rejection. I absolutely hated selling. I was a thoroughly awful salesman. And now, for my business to succeed, I had to sell mowing rounds consistently, month after month.

I asked a family friend "What I should do?" But the trouble with asking advice is that people don't always tell you what you want to hear.

"Be your own salesman," he said. "No-one can sell your own business as well as you can." Easy for him to say! He had all the charm and confidence that went with many years as a business manager. Not much help to a social incompetent like me, with all the tact of a grizzly bear.

But he was right; and one day I did learn how to sell. This is not simply an expression: it happened quite literally, in a single day. I was looking for advice on advertising and went to a partner in an advertising firm I knew. He invited me in and spent half an hour answering my questions—not selling his services, just doing everything he could to help me out. At the end of the interview he advised me that I did not yet need an agency, but there were several useful things I could do for myself.

I remember walking the streets back to my car, overwhelmingly impressed by this man and his agency. Why? He had done nothing to sell his business to me. In fact, he had advised me not to use him. His sole concern had been my welfare and the success of my business. But this was a far more powerful pitch than the slickest sales talk could have been.

I had been totally sold on his agency, and I knew that in future I would go back, without bothering about any competitors. Which I did, when we decided to run TV commercials. Because I knew I could trust him.

And then, just as I reached the car, I had a flash of insight on how to sell lawn mowing rounds. In the past, when someone rang me about a round, I would describe the business and why they should buy from me. From now on, I would take

a completely different tack.

First I asked what they already knew about the lawn mowing business. My advice started on the phone and went on to the interview. I told them not only how to buy a mowing business, but also how to run one properly. I gave advice on advertising, collecting payment, cutting wet grass and filling the catcher.

I offered a 12-page manual on buying and running a mowing business. All my hard-earned knowledge was passed on without strings. It was not: "Buy from me and I will help you" but "Here's how you can succeed, regardless of who you buy from."

At the close of all this I would simply show the round on offer, and briefly present some of the advantages of dealing with me.

From that time on, I had no further trouble selling rounds and I even started to enjoy it. While traditional selling was beyond me, 'selling by not selling' was easy and fun. It was simply a matter of talking about the business I knew and loved, working out the best course of action for the interested party, and helping them to succeed.

I have often tried to persuade people to 'sell by not selling'. Sometimes they say it would only work in my industry. In fact, the sale of mowing rounds is one of the least appropriate, since there is virtually no repeat business. Very few people will ever buy a mowing run twice, while a car yard which looks after its clients might expect them back every few years. Genuine concern for the other party is the best sales tool in the world.

Encourage criticism

Leaders the world over are supposed to listen to the opinions of others. What surprised some newcomers to Jim's Mowing was the robust way in which these opinions were expressed, including a great deal of direct criticism.

Not that this upset me a great deal. I enjoy a good argument and we had some fine rowdy times. Ventilating problems is healthy for any organisation; often some good ideas came out of it.

Even when I couldn't agree with a proposal, we would often hammer out some sort of compromise. And franchisees always knew they were being heard, and could play a part in shaping the business. This helped to build a sense of common ownership.

This was a lesson I never let anyone forget: At Jim's, it is everybody's job to argue with the boss.



While all this was going on, the business continued to forge ahead. When my first official franchisee signed in June 1989, VIP had 50 Victorian franchisees and 250 Australia-wide. By the end of that year we had 60 and were breathing down their necks.

Be the business

Wearing a Jim's uniform was something I did right from the beginning. I hate wearing ties, so suits were never an option. But 'greens', for me, also made a statement. I was a mowing contractor by trade.

I loved the business, had done it for many years and took pride in it. Being a manager did not change that. I was determined not to be 'up myself', not to give the impression I felt myself superior for sitting behind a desk (I always speak to people sideways rather than across a desk, for exactly the same reason).

These symbols were all the more important because I did not have any particular knack for getting on with people socially. Intense and passionately focused on my business, I was not the sort of person to have a pleasant chat about football over a glass of beer. So at least I could dress as they did.

Get the phone!

I've always spent big on answering the phone. Where our competitors used a paging service, we answered calls direct from the office. We knew who needed work that day, and so could usually book a job on the spot.

This was a huge advantage in the market place. A prospective client might have rung several people, who either didn't answer or promised a call back. Once they called us we would book them in, and normally do the job that day. If they called again, we knew who had serviced them and could page out a message in seconds.

I was a fanatic about answering the phone promptly. If anyone was filing or doing accounts and let the phones ring on, heaven help them! The staff who worked with me in those days learned the lesson well, and are still the first to jump on the phones. And I still pick up the phone to clients and franchisees when the system overloads, as it has several times in the past hour as I write this.

Getting people to call you is expensive, and more so as you move away from the most cost-effective media, such as directories and trades guides. It is far better to

focus extra resources on not losing the people who do call.

It's a sign!

As the business grew, so did our need for clients. I put most of my effort into dealing with them effectively, making sure they were looked after, and relatively less on sourcing leads.

Of course, 'relatively less' meant a great deal of advertising through local papers, directories and leaflet drops. But my attention was more on the other end—and I believe that is mainly why it worked.

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This may surprise people who see us as marketing gurus—after all, we do have 90 per cent public awareness in most Australian cities. The truth is, we are a relatively small company with relatively huge public awareness, and this rests on one single peculiarity.

At seminars one of the questions I often ask people is what they believe to be the most cost-effective method of finding lawn-mowing clients (apart from referrals).

Some say local papers, others TV. They rarely get it right: the answer is trailer signs. Signs are so much more effective than any other method that the difference is impossible to calculate. Maybe 5 per cent of calls come directly off the trailers, but this is an understatement.

Most people get our phone number from the local paper or the Yellow Pages, where we are up against all our competitors. Why do they choose us? Often because they know we work in their area, because of the trailers. And they may also feel that as a substantial company we are less of a risk. Again, because of the number of trailers they see.

Beating cheats with 'Surplus Corrective'

I hammered customer service at meetings ... and yet, with all we did, our service was nowhere near as good as it should be. The average conversion rate at the time in Melbourne was around 40 per cent, which was far too low. It was 60 per cent in South Australia, and some of our franchisees were converting at 150 per cent!

This last finding staggered me. How could anyone convert more regular leads than they were receiving?

It turned out that not only were they converting most of their regular leads, but many of their casual clients became regulars. They also picked up a huge number of referrals.

Why? They put it down to service.

As a result I developed a system called 'Surplus Corrective', which was included in all new contracts. In effect, we billed franchisees for the clients we *expected* them to have. Thus, if a franchisee had received 100 regular leads and the regional conversion rate was 50 per cent, we charged them for 50 clients. Regardless of whether they had 30, or 50, or 150.

Surplus Corrective was impossible to cheat. In effect we charged on leads given, not on the work done. And there were huge incentives to look after clients, since the franchisee was charged for the lead—regardless of outcome. Losing a client became a major problem for them, since a replacement client meant a permanent rise in fees. It was far cheaper to do excellent work and pick up more regular clients from existing leads.

Unlike many of my bright ideas, this worked. As franchisees came on under the new contract, they were converting regular leads far better than the existing ones. So the conversion rate started to rise. And rise. And rise.

I began to present the system to prospective franchisees as part of my pitch for excellence of service. It would go something like this ...

"Consider a householder with a party on this afternoon, whose mower has broken down. They ring for an emergency cut. Clearly they are a casual client, not a potential regular. You come out and quote \$25. You mow the lawn neatly and blow the grass off the paths.

"Obviously, you don't trim back the nature strip where it has grown 10 centimetres over the path. This would take half an hour to do with a spade, and make the job totally uneconomic.

"So you straighten it a bit with the brushcutter, and at the end the lawn looks as good as it ever has. They say 'Thank you very much'. You ask if they would be interested in a regular service, and they say 'No'. After all, they have a mower of their own. But they are happy enough. Their lawn is neat for the party and they got what they expected."

Let's try this again ...

"You arrive to mow the same lawn and see the overgrown edges. You think 'opportunity'. You get the spade out and chop all the overgrown grass back to the concrete kerb. After finishing, you blow the paths clean not only of grass but of leaves. You take the brushcutter and get all the weeds from the cracks. All this might take an extra three-quarters of an hour. When you've finished you knock on the door and say, 'Come and have a look and make sure you're happy. I know it's important to have it looking great for the party. What do you think?'"

"The client has never seen the place look so good: in fact, they didn't know it could look so good. They don't necessarily know what you have done, but they do see the results."

"Then you say, 'By the way, I hope you don't mind—I've dug over the garden bed next to the letter-box. No charge: I just like to see things neat and you've got some magnificent azaleas.'"

"Or you might make some comment about the dog or one of the children. The point is, this has to be genuine. You have to really care about your garden or be fond of dogs, because people, by-and-large, aren't stupid."

"But can you see what you've done? The client sees you as a decent, caring person who has done more than expected. They probably won't become a regular client. After all, they do own a mower. But in perhaps one in three cases they will, maybe not today but when their mower breaks down again."

Scaring off the service-shy

I am very open about service when talking to prospective franchisees. I tell them they will be required to give excellent service and that below-average levels will attract financial penalties.

On the other hand, looking after clients well can bring considerable reward. If people are scared of that, they are not the kind we want anyway.

Where once a hundred regular leads brought 40 regular clients they now brought 120. In effect, three times as many clients were happy enough to want to continue with us.

A business like ours needs to be obsessed with service.

Humble housing

All this expansion brought us a problem. We were running out of space. For as long as possible, I had run my business from home. I don't much like driving at the best of times.

Eventually we found the second storey of a building by a railway line. It had long been out of use, and vandals had daubed paint over many of the panels. Still it was air-conditioned, had enough parking and plenty of windows. We stood around and listened to the trains go by, and they were no great problem. Also it was cheap. Our net cost, after letting out some of the space, would be about \$10 per staff member a week.

My own chair was a Telstra reject with padding bursting out of the arms.

I had very strong ideas about how the business should be run, and the layout of the office was crucial. I wanted to be where I could see and hear as much as possible, and where people could easily find me. Once, a major problem with a manager only came to light because someone made a comment while passing by my desk. So my desk had to be placed where people would commonly pass it by—right in the middle of things.

Working in a traffic area could be distracting, so I tried to do focused work in the early morning or the evening. During the day, my main job was to be available. I also spent a lot of time just wandering around the office, or picking up the phone at random. Especially the franchisees' line.

Making myself accessible was part of the answer. But I wanted my new managers to share the same ethos and working conditions. Office layout needed to reflect an open, relatively equal atmosphere. There were to be no private offices, not that anyone was asking. The only time a manager insisted on an office, he got so out of touch he lost his job very quickly. It was then used as a store-room until we got round to pulling it down.

Furnishings were in our normal austere tradition. 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 one. But less comfortable, so I would hunt around and get my old one back.

I'm the scruffy figurehead

These days I sit on a round purple ball, good for rocking back and forth on, and supposed to be better for the back—but not most people's idea of executive furni-

ture! (In my business, no-one can tell who the managers are from looking at where they sit. Or what they sit on.)

This ethos can sometimes confuse visitors. One guy came into the office to talk about a franchise. I was standing around so I offered him a cup of coffee. While he was drinking it we began chatting about this and that, and he said 'What do you do here?'

Assuming he knew who I was, I said, facetiously, 'Oh, I'm just a sort of figurehead.'

After a while he said, 'Hang on, you're not *the Jim* are you?' The scruffy looking figure in Jim's greens didn't fit his picture of the owner of the company.

And my car probably wouldn't have fitted the image, either. Once I mentioned the idea of getting a larger vehicle, for my children. It was suggested, only partly in jest, that we mount the old one on a pedestal—as a statement of our principles. We have an ongoing joke that if you work hard, keep your head down and are successful, one day you too will be able to drive a battered 1982 Volvo!

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Adapted from *Surprised by Success, The very Australian story of Jim's Mowing* by Jim Penman. Published by Jim's Group Support. RRP \$12.95 and available at good book stores.

The Penman File

Personal details

- Born England (by chance – just passing through) in 1952.
- Mother was a primary school teacher (retired) and father continues to work as an engineer.
- Lives in Bayswater, Melbourne with his wife and seven children.

Company facts

- First franchise: Mount Waverly, Melbourne in 1989
- Headquarters: Bayswater, Melbourne
- Headquarters staff: 20
- Total franchisees: 1,427 (at last count)
- Australia: 1,200
- New Zealand: 200
- Canada: 27

There are now eight divisions, including house cleaning, car cleaning, fencing, trees, blind cleaning, handyman, dog washing, and of course mowing and gardening.