

CHAPTER 1

GO ME!

So who am I and how did I get started? Well, entrepreneurship came as naturally to me as walking and talking; I had never really considered anything else.

I blame the parents. I was born into a household that valued independence, entrepreneurship and learning. I was born in England, in a tiny village in the north of the county of Dorset (Thomas Hardy wrote a lot about this area and it is sometimes referred to as Hardy country). Our house sat at the foot of Hambledon Hill in the beautiful Blackmore Vale and our nearest neighbour was my grandmother, down the road. As a kid you want to get out, escape, make your own way, but it's a truism that you only truly appreciate the beauty of your roots when you go back in later life. My father was a farmer and my mother ran a beauty salon, initially from home and later in a purpose-built salon. For my part I adored growing up on a farm – running around playing with power tools, setting fire to myself and eating all sorts of things that should not be eaten. I am sure that is why I have such a good immune system now.

The greatest thing I learned, looking back, was the independence of life – the fact you can pretty much do what you want and only you can fully judge yourself and your actions.

In a house where one or both parents work, it's too easy to conclude that the choices ahead of you are limited to working for a corporation or for the government, whether as a civil servant, in the armed forces or for the state. But I was encouraged to believe that if I wanted to be an artist or a businessman, or pretty much anything I wanted, I just had to choose. I felt that opportunity was always close by. With farming being so seasonal, my father was always dreaming and scheming. We would talk about business ideas over breakfast and I would help him launch these sideline exploits over the years.

Unfortunately, I didn't get pocket money, but I look back at this as a great lesson itself; rather than getting hand outs, I was offered the chance to work for my parents in either business for £1 an hour.

My parents gave me lots of encouragement. Noticing that old ladies liked tea, I launched an early venture selling tea bags to the members of my granny's sewing club. It was a market waiting to be exploited. My mum's regular visits to wholesalers to buy supplies for the salon gave me the opportunity to buy tea in bulk and break it down into smaller lots. There wasn't a great margin to the business but I did make a profit.

Aged 11, I started cutting down the flowers from the garden, putting them in jam jars and selling them outside the salon to ladies coming to have treatments. This time my parents were less encouraging; decimating the garden didn't endear the business to them, so I had to call a premature halt to proceedings. However, my big hit came at Christmas, when my dad put me in charge of another sideline of his. We had

a small orchard where, a few years earlier, Dad had planted loads of Christmas trees. These had finally grown to full size, but with the farm taking up so much time, a 12-year-old Jeremy was put in charge. I was told to do whatever it took to sell as many as possible and I could keep half of the sale proceeds. So I placed an advert in the local paper, put a sign on the road and got selling; one price if they helped themselves, another if I had to saw it down and more again if they wanted it digging up. One great outlet was a local gypsy who bought ten at a time to sell door to door. My first indirect sales channel!

After a couple of weeks I had cleared £1600, a fortune for a 12 year old in the 1980s – and I think a surprise to my parents as well. The only slight annoyance was that a family decision was made to spend the money on a new TV and video that we could all share, so I never saw my half. Lesson learned? Get it in writing!

Life

Two major events, in hindsight, shaped me as a child.

Firstly, when I was aged about ten, my older brother Christopher died, suddenly and for no apparent reason. Nowadays they label it sudden adult death syndrome. I was taken to hospital and wired up to look for defects or arrhythmia, but nothing (that I know of . . . mum?) was found.

I seemed to go to a lot of funerals while I was growing up: both my grandfathers, a kid from school and my brother. My grandmother on my mum's side was one of 14 children, so there was a steady stream of great uncles slowly disappearing.

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I never thought this strange. Death was part of life, and it was some time before I realised this was not the same for everyone. I have since met friends in their 30s who have not yet had anyone in their immediate family or circle of friends die. I think it may have given me a perspective on life being finite that made me appreciate that you get only one shot in this world – so make it count. Treat every day as your last and one day you will be right!

Secondly, my father's farming business failed. My parents were forced to sell the family home and we went from being an affluent, middle class, happy family to having our lives turned upside down and having to start again from scratch. In hindsight this was a great lesson in resilience, independence and how life throws curve balls every so often – so don't judge the ball, judge the way you handle it.

I do not have children so I do not yet completely understand how devastating it must have been for my parents to lose a son, but I have a pretty good idea.

Losing a business hurts too, though on nowhere near the same scale. I do know what it is like to have that happen, and whilst affording nothing like the grief that rises from a death, it can be a real emotional roller coaster. I do not envy my parents at all. However, the experience lit a fire in my belly to succeed that has burned strong since and has shaped my life. I had a taste of wealth at an age when it could not really be appreciated, but lost it as a teenager when I would have appreciated the benefits of what we had.

I am glad in a way that I did, as I learnt the value of making my own money and in experiencing the enjoyment of hatching a plan and making it work.

Shakespeare said: 'Far better to have loved and lost than never to have loved at all', and so I suppose I had developed a taste for it – and have strived ever since to get it back again.

'I did not make much money in this life, but I had great fun trying'

My grandmother, Freda Harbour, on her deathbed;
the last thing she said to me.

School

School was okay but I didn't thrive. I was a bit dyslexic and frankly wasn't that interested; but I have a great memory so I learned a lot of stuff. If you want to know Boyle's law, Pythagoras' theorem or Archimedes' principle, I can still recite them off pat. Just don't ask me to spell them! Why is dyslexic one of the hardest words to spell? Were they trying to be funny?

Funnily enough, despite not really 'doing' school, I inherited from my parents a lifelong love of learning. Dinner table conversation growing up was always pretty highbrow and covered science, politics, history and philosophy. I never read at school, but as an adult I read lots and cover really varying topics, never fiction. I also travel a lot for fun and have been lucky enough to see the world – this exposure to new cultures and new people is great for personal development and understanding, and I feel like a real global citizen. It has even given me the courage to permanently live abroad. I no longer feel England is my home, but that the world is my home.

I believe when you stop learning you start dying.

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The thing I really did love about school was the captive audience of willing buyers. Every day kids with pocket money were all around me, not to forget the teachers (they were the big fish in sales) and the school itself.

We used to receive a copy of *Industrial Exchange and Mart* – a magazine sent out to all farmers – and buried in the back there used to be adverts for stock disposal. One week I saw they had army surplus jumpers, £40 for 100. We had a school cadet force – the dressing up as soldiers department – so I went to see them and sold them ten for £40, which left me with 90 spare and already paid for. I swiftly sold them on to builders and scaffold workers.

Selling at school got even easier when I bought a cancelled export order of 2600 Cadbury's crème eggs. It was such a success that before long I was not taking any books, pens or school work with me in the mornings, just as many crème eggs as I could carry. Soon my enterprise was so big that the school tuck shop made a complaint. I was confronted by a teacher, who bought four packets, gave me a pat on the back and told me to try and be a bit more discreet.

The other thing I have to thank the school for was the career advice. My mother told me many years later that my careers officer had called her to say that she had never met a 14 year old who knew so absolutely what it was he wanted to do with his life. She said that I should just get on and do it. This must have really helped, as both of my parents were highly educated (my father has a Masters in organic chemistry) and as such had expected me to follow in their footsteps and go to university.

I cannot remember what I said to my careers advisor that day, but I suspect I just talked incessantly about whatever I was selling that week and how I was planning to make that into a huge multinational business.

Business Begins

I'd made my first tentative steps into business, but I still had a bedroom full of the remaining stock. Very kindly, my grandmother took me to a car boot sale to help sell some of it. This was a great success, so, when I was 14, I got a bit more serious and started my first business. Oasis Trading was based in one of the farm's sheds and operated at fairs, fetes and car boot sales. I picked up 100 pairs of second-hand jeans for £1 each. I bundled half of them into tens and sold them to other market traders, then sold what was left from my own stalls.

The moment I finished my last GCSE exam I never went back to school. I was 15 and running my own business – which soon expanded to a full-grown market stall and a productive channel selling surplus stock and over-buys to other traders. I had swiftly realised the value of bulk sales, so my costs were getting lower whilst I was also getting the extra sales from the other retailers I was supplying. It was a win-win situation.

However, entrepreneurs are like cats; whichever side of the door we are on we want to be on the other, and new ideas always take precedence in our mind over the activity we are currently engaged in – the new thing is way more interesting than the old thing.

Hence the appeal of an advert I came across one day, while looking for stock, for a fruit machine, on sale for £75. This seemed awfully cheap for a whole fruit machine, so I went to our local pub to find out what they paid for them. The landlord told me that they rent them for £15 a week. Now as a rental yield that is a pretty impressive return, but you have to remember I was only 15, so instead I agreed to sell it to him for £150. After a torturous trip to London to collect it – of course I couldn't yet drive so had to rely on my parents' help – the publican refused to take it. I was gutted.

In hindsight, imagine you are running a pub and a 15-year-old kid asks about your fruit machine and says he can get you one cheap. You probably don't expect him to actually come back with one. I guess I had not fully appreciated that some people still thought I was just a stupid kid.

This was a blow at the time, but it triggered a whole new business phase that inspired me to move out of the trading industry and into coin-operated machines. When I got home my mum reminded me that there was a bloomin' great fruit machine standing in the hallway of the house and that she wanted it removed. I grabbed *Yellow Pages*, turned to public houses and called them all.

I sold seven of the machines.

Of course I could have stopped at having sold one machine, as that is all I had in stock, but when you can see a marketing approach working, my advice is to keep sticking the bucket down the well until it comes up dry. This does of course create a problem of how to fulfil the order, but what a nice problem to have! This is a great lesson to learn: *always get the customer first; the rest will fall into place.*

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This business was ideally suited to a kid; I bought the machines by phone, sold them by phone and customers would only find out I was 15 when I turned up. They were usually pretty surprised, especially if I had been giving them a hard time on prices over the phone. One client confessed that he wished his son would show some comparable initiative and took me under his wing, teaching me about the industry that I had blundered into.

I fulfilled my orders and offered my customers quiz and video games too, offering free installation and a share of the takings. Soon this new business, which I christened Oasis Leisure, had sites all over Dorset, aided by the fact that when I turned 17 I acquired a big red van and learned to drive. This transformed my reactivity. My dad was always great at taking me to the machines, but he worked long hours so it would often be late at night that we'd go to sites. The money was coming in and I was furiously busy, servicing, emptying and delivering machines, often single handed, sometimes with one of my mates in tow, just for the ride. I was the only one who bought rounds with ten pence pieces in the pub at night.

Then, one day I saw an advert for an amusement arcade for sale, in a major town centre in Somerset. This had instant appeal; it was only £30,000, it had a small takeaway business integrated with it and offered the hugely appealing detail that with all the machines in one place there'd be no more running around.

I approached my bank and, to my surprise, they lent me the money to buy it. So, at the ripe old age of 18, I moved to Somerset to run my own amusement arcade. Banks are obvi-

ously a lot more cautious nowadays and I apologise if I was in any way instrumental in that change of attitude.

What I had not fully appreciated was that the sites I had previously served were pubs, clubs and tourist attractions, and those businesses did marketing in order to find customers. What's more, I had used their heat, rent, light, rates and customers to fill my machines with money; now I had to find my own customers and cover the bills alone.

I lasted about a year. I lost everything and moved back in with my parents, a sheepish look on my face and my tail between my legs. I had failed – every would-be entrepreneur's worst nightmare.

I was a bit morose for a few weeks after this, but you know what? I still had all my arms and legs, nothing really serious had happened and it was a relief, at least, to be sleeping better. All the worry had taken its toll but, in the end, I was unhurt and not discouraged. I had started with nothing and I had nothing again, but what an experience – and, in hindsight, what a great age to go bust. A good kick in the nuts teaches you some humility at that age. Imagine how intolerable a human being I would have become if I had made a raging success of that arcade!

After this failure I was soon back on my feet and bristling with business ideas. I have always been the sort of person who can think of a few new ideas every day. Over the years I have learnt that a good idea scratches an itch and solves a real problem, not a problem that does not really exist. My way of testing the viability of a new business idea was often very simple. I would just go out and try selling it. This was similar to how I became involved in the fruit machine

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business. In that case what I did was to ring a load of people and try and sell the one machine that I had, which led me to realise that a readymade market existed to sell more machines. I have adopted the same policy to this day. As I have already said, find the customer first and then follow the customer by obtaining the goods that they want to buy. It is a steep learning curve, but if you cannot sell whatever it is you are thinking of selling, you are dead in the water, so it is best find out sooner rather than later.

Next I started a home improvement business, bringing customers and suppliers together. This is a really simple low cost business model you can apply to any industry. I simply approached a number of suppliers – for example, a company that sells conservatories – and agreed a commission on sales if I found them someone who wanted to buy. Essentially an agency agreement, the principle is that you sell their service under your own name, but they fulfil the delivery. In the industry it's often called white labelling. You can start a white label business or agency *TOMORROW*; you don't have to develop a product, you don't have to have stock and you don't even need particular expertise or equipment. Later, when I started my telecoms company, I began as simply a dealer or agent for other telecoms providers. This meant that for no real cost I could offer mobile phones, landlines, broadband and a whole host of other products. Then, as the business developed, I brought the successful services in house and offered them myself for a bigger margin.

This is a classic way to get started without over committing yourself. You basically just become a marketing channel for someone already established – and these companies are always looking for new sales, so it is a fairly easy conversation

to have. I started the home improvement business purely because I met a guy who had a product, so I offered to sell it. In retrospect, I wasn't as focused as I needed to be, but I was learning fast.

The home improvements venture was swiftly followed with a franchised version of my original amusement arcade business. I would sell three machines on site for £1999, and it was, I soon discovered, pretty profitable. However, then I heard for the first time about pricing policies and test marketing prices. Basically the theory is that a small increase in your top line price is a big increase on your bottom line. In fact, in an average company, a 5% increase in your pricing can add 40% to your bottom line profit! When you consider that a business is often valued on a multiple of that annual profit (called a P/E or price/earnings ratio) then increasing it by 40% in one quick move is pretty dramatic. In fact you could afford to lose customers and still come out in front.

I made the decision, daring though it might sound, to change my pricing. I didn't alter anything except the price on the ticket, moving from £1999 to £2999, and guess what? My enquiry levels and sales levels didn't even blink. Writing this now, I am trying to figure out why I did not try putting those prices up again! I was probably so excited to find water in the well that I forgot to stick my bucket down again! Never mind – now at least I was making a real success of a business.

But, remember what I said about the restless spirit of entrepreneurs.

Mobile phones had just, for the first time, got appreciably small and inexpensive. I sensed an opportunity. I noticed a gap in the market, which very effectively served the needs of

retail customers and provided a really high level of service to corporate customers but neglected all the small businesses in between, which were left out in the cold despite being intensive users of mobile phones.

So, I established a company called Unity to target this sector and started selling phones to businesses. We grew very quickly but were terribly undercapitalised so really had to run on a shoestring budget. But we grew and grew. When I sold the company in 2006 my combined businesses had a run rate turnover of about £13 million and 135 staff. And every single one was started with no money whatsoever. Every day things would go wrong, and every day things would go right. It was exciting and unpredictable.

My Epiphany

While I was running the telecoms company, I had an epiphany that changed my life and the way I do business forever.

The telecoms industry is very acquisitive, so as a new kid on the block, making lots of noise, we were often approached by other companies looking to buy us. Some of the approaches were dismissed out of hand; others were very tempting, but they had one thing in common – the companies didn't have any money, it was all 'jam tomorrow', predicted on a hypothetical event in the future that might never happen. But it got me thinking. Hang on, I have no money – maybe I could buy a business.

Now, something that ambitious could never be simple; the key was not just identifying a business that could be bought

for no money, but rather finding a solution to a problem that really works for the seller and helps them to achieve what they want to do. I did my research, found a small mobile phone business whose problems I had a way of solving, and made my first acquisition. Not only did I grow my business, I grew it by about one year's sales in a single day.

All the books I had read reinforced my paradigm that in order to be successful you have to start a business and work really hard. I had done that over and over and yet here I had just cut out all the blood, sweat and years. It was as if instead of running the marathon I just ran the last ten yards but still got the trophy. This was my epiphany, and this is what I do now. I help companies that have some kind of problem that is motivating them to exit. I come up with a deal that will benefit us both, often when they have nowhere else to turn.

It is incredibly rewarding and enormous fun; and of course my paradigm now is not to start businesses but to buy them. However, that is another book for me to write, and something I can only do now because I learned to walk before I could run. You need to do the same. Starting your first business is a rite of passage that every entrepreneur must go through, even if their ambitions are grander and loftier. Before you buy and sell businesses you need to understand all the warts and wrinkles of creating and running a company from scratch. You'll need to do that before you can ever empathise with someone whose business is struggling. You need to understand that logic gap between what should happen in business and what does happen, and you need to really feel what it is like in these situations.

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The other realisation I had was that you make your money when you sell your business, not when you are running it. Running a business gives you income, and your expenses tend to grow to fit your income. Selling gives you capital; capital gives you real freedom and enables better decisions to be made, as well as providing you with time to make them.

Be customer-focused. Your best customer is the person who buys your business. Make it ready for that moment and for them alone, not for anyone else, making sure you sell while on the up not at the top. And sell as soon as you can. Doing it again with capital is much, much better.

And remember, at the heart of running a business is the art of doing a deal – get a feel for that now and there'll be no stopping you.

So here I am sitting in the beautiful Balearic Islands, buying and selling businesses that have problems and writing this book, and I realise what a long way I have come from setting fire to myself on a farm in Dorset. But I feel, at the age of 37, that I have four lifetimes worth of stories, knowledge and experiences, and I am really only just getting started.

I have been asked many times how I evaluate my ideas and what kind of paperwork and research is involved. The truth is that I don't tend to do much paperwork and more often than not I follow my own hunches and intuition. I tend to test the market by finding out whether something sells or not. If it does, then I continue with it as a business; if it doesn't, then I look for something that does. It really is as simple as that.

There is no right or wrong way to do this kind of thing; many people will do hours, even days, of research and plan-

ning before starting anything and I am sure that will reduce their chances of getting it wrong, but for me it would also lower the number of opportunities I have the time to exploit.

The best bit about all of this is that I thoroughly love what I am doing. I get up every day wanting to work and it provides me with great excitement and exhilaration. If you were to talk about work–life balance, then I believe that mine is perfect. I have learnt to focus my time on the areas that I am good at, which for me is the creative side and in making deals. I think it is important to start out doing everything in your business yourself. By doing this you will appreciate the need to understand it from start to finish and to change and tweak the various processes to get everything working right.

However, I am absolutely certain in my conviction that failure to focus on your strengths and let go of other aspects is what holds many businesspeople back. Many people doggedly hold on to a belief that if you want something done right you have to do it yourself. Indeed, often you will be the best person for the job, but *time is finite*, and so if someone else is only 50% as good then you may need to employ two people to do the job. If a business can't survive without your constant attention, you may have a more fundamental problem; a business that will enslave you to long hours and hard labour for life. It may be time to try something different.

I remember when I started my business, it was many years before I could afford my first holiday; that is, both afford in a financial sense and in terms of being able to be away from the office. This is a form of failure. You have quit your job

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and started your own business, but the objective was not to go into slavery!

You must be prepared to sacrifice, be prepared to struggle, but be sure to retain your enthusiasm and learn to treat the process like a game – failure is not so very bad that you can't bounce back and the reward is to free yourself completely – so it has to be worth it.

At one time I had to move into a student house to keep costs down, living on beans on toast sometimes for weeks at a time, as every penny went into growing the business. I remember days where I emptied the penny jar to put an embarrassingly small amount of petrol in the car I had borrowed, enough to be fairly sure I could get to the meeting but with no guarantee I could get back. I had no money for parking meters, so I'd have to try to hide the car somewhere it would not get a ticket.

It was a little frustrating at times, but never really played on my mind, it was just the way it was. I could see the business beginning to work and I was willing to give it everything – one shot, make it work. It is pretty character-building stuff to live like this and be master of your own destiny; no safety net. In a true meritocracy you get out what you put in.

I would not trade the experience for the world, without that experience I don't think I could fully appreciate what I have now. I still have a very real connection to the value of money, which is a very healthy thing to have.

You may have heard the expression 'I used to work for an idiot, now I work for a maniac'. If you haven't it'll come as

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no surprise to know it's used in reference to starting your own business.

I now live abroad and travel a lot, and it is important when you run your business to ensure it can function without you. Once it can, you know you've succeeded.

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