



4 Keys That Drove One Company From \$0 to \$120 Million in Revenue

Steve Sanduski:

Hey everybody. Welcome to another episode of On Your Mark, Get Set, Grow. This is the podcast of CEO Coaching International where we talk to the world's leading entrepreneurs, CEOs and coaches who are looking to make big happen. I'm your host, Steve Sanduski. And our guest today is Jim Bennett. Jim founded his own company as a franchisee of worldwide Express, and he built the company from zero to over 120 million in revenue. And he recently sold the company and now he's back in the game and he's going to do it all over again. Pretty remarkable.

Now in today's show, Jim and I discuss how he built the business. We talk about some of the things that he was willing to do that other people were not and that he attributes that to some of his success. He also shares the mindset and the characteristics that he felt enabled him to build such a successful business. I want you to make sure that you listen all the way to the end here because Jim shares something really remarkable. He shares how his firm was able to compete against brand name companies like UPS and FedEx. And I'm going to give you a hint here. He said it had to do with the people he hired. But what was really interesting was how he described the exact kind of people that he hired, knowing that if they had these characteristics, those were the kind of people that were going to enable his firm to win and to be able to compete against other brand name. So it was a really interesting story there. So you're really going to enjoy our conversation today with Jim Bennett.

Jim, welcome to the show.

Jim Bennett:

Thank you. Glad to be here.

Steve Sanduski:

Yeah, well, we are glad you're here as well. And as you and I were chatting here before we went live, you have been an entrepreneur I'd say pretty much your whole life. You were telling me about some of the businesses that you were

starting while you were a kid. So tell me a little bit more about that if you would please.

Jim Bennett: Yeah, literally from the time that I was seven, eight years old, I always had something going on to make money. My parents never gave us an allowance. They said, if you need money, get a job. And I also saw my, all my siblings doing the same things. So, I had a tennis racket stream business for some of the local colleges. I mowed 30 lawns a week when I was in junior high and high school. I had a paper route of over 100 papers a day. So there wasn't much that I wouldn't do in high school turn money.

Steve Sanduski: Well, I'm going to put my psychologists had on here, and I'm not a real psychologist, I just play one on my podcast. So I'm curious, can you separate how much of your entrepreneurial drive came from the environment that you grew up with? Like you just mentioned that your parents said, hey, if you want money, get a job. Okay. So there's pretty strong incentive there. So how much do you think was the environment that you grew up? Maybe what you were modeling after your parents or maybe you saw your siblings what they were doing versus what you think you kind of learned on your own and that you developed the drive on your own from whatever reason? Can you separate those two or not? Any thoughts on that?

Jim Bennett: Absolutely. I sure can. I saw my father, he had, he was a college professor, he owned a large printing company, and he had rental properties. So, I saw my father as an entrepreneur and I worked inside of his businesses. That just became part of the culture of who I was. I learned that if I wanted money, I had to either go out and find a job or I had to go and start a business.

Now, one thing I learned quickly is that starting your own business was always paid more than just a job. So, when I got out of college, I decided, well, you know, I need to get something inside of sales because that's what I know best. But I also knew that I wanted to own my own business. After working for several years, my boss at the time came to me and said, "Did you know this month you're going to earn more in commissions than the company is going to make in profits?"

Steve Sanduski: Nice.

Jim Bennett: And I said, at that point, I'm going into my own business because I truly believed in the unlimited potential of being in my own business. That was when I started my first business.

Steve Sanduski: Great. We might kind of meander all over the place because you've got some great stories here to tell. So, how did you become a great salesperson? Were you self taught? Did you have some great people that you worked with? Did you go to sales training programs? What do you think made you such a great sales person?

Jim Bennett: That's just who I am. I am a natural born salesperson. I remember one year in college, I looked for a summer job and there were Kirby, there was a Kirby vacuum cleaner job that was about 40 minutes away from me. I went in there and I worked for the entire summer. I was so good at that job, selling Kirby vacuum cleaners. And my best sales were selling these \$1500 Kirby vacuum cleaners back in 1981 to people who lived in trailer parks. I loved it. I literally loved going to work every day. I loved the process. To me, it was fun. I just had a blast doing it, and at the end of the summer, I told my parents that hey, listen, I'm not going back to college, I found my career.

My parents quickly instructed me, listen, if you're that good at sales, finish your career and move up the food chain into something bigger and better. So, that's what I did.

Steve Sanduski: So they encouraged you to finish your college degree. So you got the college degree.

Jim Bennett: Sure did.

Steve Sanduski: So you ultimately ended up in the franchise business. So how did you get to the franchise business which ended up being your big exit so far?

Jim Bennett: So, I had exited from another business. I had sold it and I decided that I really wanted to spend some time looking for something that was scalable, that was centered around reselling a Fortune 500 company services because I wanted the product that I sold to be very, very good. I wanted there to be unlimited income potential.

So, I started off with that criteria and I started looking and looking and looking. And eventually, I found a company called Worldwide Express, which at the time, in 1997, was a reseller of Airborne Express. Airborne Express was a company that competed with UPS and FedEx.

So I called up the CEO at the time, and I was franchise number 15. And I said, "What cities do you have available?" And he said, "Anything you want." And I said, "I want all Boston but I have a limited amount of money." And at the time, they were a brand new company. So he made a deal right away with me and I jumped into it. I didn't have money to move my family over to Boston where I started. So what I did was I left every Monday morning at 4AM. I got over to Boston at about 6:30, quarter to seven. And at night, I would sleep underneath my desk on a futon. And in the morning, I would go to the YMCA, the local Y and I would shower. I would work very, very hard all week long. It was so much fun those early days. I cannot tell you. Just getting out and hitting the streets, just putting everything into it and seeing results from it just made me super excited and super grateful that I was part of this great company, Worldwide Express.

Steve Sanduski: Yeah, that's great. So tell me about this first, the first year, those early years. What were some of the key lessons that you learned as you were trying to build this business from scratch?

Jim Bennett: Okay. So number one was perseverance. I was jumping into something that I really didn't know anything about. I knew nothing about logistics. I had never run a significantly sized sales team, and I had never sold a large businesses services. So I had to learn about how to sell another company's services. I had to learn about being a sales manager, and I had to learn about perseverance.

Now, one of the great things that I did early on was after about the third or fourth month in, a couple of guys came up to meet me who were potential franchisees. The franchisor had sent them up to see me. I became very good friends with one of them, Tom Medine. When he became a franchisee, he and I used to talk for two and three hours a night on how to motivate sales teams, how do we sell this service, how do we position it to the customers? We literally figured it out as we were going along. So, that was a huge, huge moment or series of moments in the first year that truly lead to success.

Steve Sanduski: Now, how about the mindset that is needed there? How do you develop that mindset of perseverance? And it sounds like this guy that you became good friends with, who you spent a couple hours a night talking to, that having another colleague that understood what you were going through that was maybe going through the same thing as you were, maybe that helped you persevere. But anything in terms of the mindset and how you develop that?

Jim Bennett: A lot of people go through life and they'll have 10, 12 jobs. That's not me. I spent a good amount of time finding worldwide Express, and I was determined to make worldwide Express work. I was determined that the model that the franchisor had come up with was a successful model. And it was up to me to put in the hard work and the perseverance that it was going to take in order to become successful.

So, I'm not a person who gives up easily. I will say this, that if I am challenged and if I'm proven to be wrong on a strategy, whatever it is, I will absolutely change. But, I have a very strong set of principles that I go by and perseverance is high atop those principles.

Steve Sanduski: Now, looking back on those early years, was there a turning point or maybe an aha moment where you said, wow, this is really going to work. I know you said you persevere and you're going to make things work but was there some big turning point where you realized this is really going to happen, this is going to be worth many many millions of dollars?

Jim Bennett: Yes, there was. I was out in Boston and I was really killing it. Within three months I'd become the number one franchisee. And the franchisor loved me. The franchisor, during the first couple of years he called me up and he said,

"Listen, we've got a franchisee out in Phoenix, Arizona that's not doing well at all. And we wonder if you would fly out, take a look at the market. We think we can get you a good deal on the market. And all of a sudden, it dawned on me, that wow, not only am I doing good but these guys think I'm doing so good that they want me to be a multi-unit franchisee.

I went out and I was cold calling out in Phoenix checking it out. But the entire time I was out there thinking wow, if I can do one of these things, I can do 10 of these things. All of a sudden, it really dawned on me that this could be a spectacular business and that I could really grow this to be something much bigger than I had ever dreamed of.

Steve Sanduski: And then did you end up buying that franchisor in Arizona or?

Jim Bennett: I sure did. I bought out the franchisee in Arizona and Phoenix became my number two profitable market. Absolutely love the Phoenix people, love the Phoenix market, loved all my employees out there. They're a great bunch of people. It's a fun community. I really got to understand and learn what it takes to be successful in different markets in the United States. They are different. The people are different. They do business different ways. You go out in Phoenix or out on the West Coast, they're so warm when you cold call versus out on the east coast, there's so many people out there cold calling that it's a little bit tougher.

Steve Sanduski: Now, your clients or your customers, were they other small businesses? Were they Fortune 500 companies? Were you doing like enterprise deals or who were they?

Jim Bennett: No, they were small and mid sized customers. So, we were looking for somebody who had from 10 to 100 employees, who shipped at least one envelope or box a day.

Steve Sanduski: Okay.

Jim Bennett: Go ahead.

Steve Sanduski: I was just going to say, so like how do you approach them? You say you cold call. Do you just like show up at their door one day? Do you phone call them? How do you approach them?

Jim Bennett: Okay, so that's a great question. And over my, during my tenure at Worldwide Express, we developed a system, not just me, but other franchisees as well, developed a system on how to sell this product. And then I took it one step further, and I made a playbook for every single position inside of my company. So every single position, whether you're a sales rep, an account manager, a customer service rep, a collections agents, everybody has a playbook.

So when we would walk in a door on a cold call, number one, we're trying to meet with one of three titles, president, owner, CFO and we try and get a meeting right then and there. If not, we try and set a meeting with that president, owner, CFO, right on the spot.

Steve Sanduski: So that was really cold. So, you just walk in, show up at their door unannounced. Is that what I'm hearing?

Jim Bennett: It is. And I tell you what, nobody in the transportation business was doing business that way. Most people in the transportation business were selling from the back door in, meaning they were going back to the back of the building and they were meeting with a shipping manager or a transportation manager and they were trying to sell that way. Whereas we through trial and error found that going through the front door, meeting with the president, owner, CFO, and getting them to understand the significance of what we brought to the table, really helped us because when that decision is top down, that decision is likely to stay versus if it's bottom up, it tends to fall off quicker.

Steve Sanduski: Right? Well, that just shows you guys are really scrappy. I mean, that's a lot of hard work, blocking and tackling, and most people do not want to make unannounced cold calls like that. So it's no surprise how successful you and the team have been there.

Now, how did you compete against UPS and FedEx? Obviously, those are two huge brand names and Worldwide Expresses is these days a big brand name as well. But back in the day, what was your selling point and you were selling against UPS and FedEx back in those days as well. So how did you approach them and come up with why they would even listen to you when they've got two other well known brand names to choose from?

Jim Bennett: Okay, that's a great question. Number one, it starts with people, the people that I hire. And right off the bat, I realized that I need to hire athletes. I need to hire Division Three athletes. I want kids who are young, hard charging and want to make a lot of money. Kids that went to Division Three didn't get scholarships and all the work that they did to get playing time was because of the love of the game. And I found these kids to be the key to success.

The kids that I hired weren't going on to be doctors and lawyers and professionals. These kids were determined to be successful via sales. And so, I showed them a path where they could make a lot of money, get development and have access to promotions. That really was the key to being successful in the field. Having these kids who were hard chargers really made us successful.

Steve Sanduski: So it wasn't about some fancy sales tactic or some psychological sales techniques or something that enabled you to compete. It really came down to the people that you were hiring and probably the training as well.

Jim Bennett: Absolutely. We were looking for coachable kids who wanted to become successful. That was the key to our success and continues to this day to be the key to our success.

Steve Sanduski: Now, no one is going to grow as big of a, now, no one is going to grow as big of a business as you have without taking some risks. So how do you think about the idea of taking a business risk? How do you try and quantify that? What's your approach to trying new things that have tremendous upside while still trying to limit the downside so that it's not a make or break bet for the company?

Jim Bennett: That's a great question. The way I look at it is that life is filled with calculated risks. Now, I use one word in how to determine whether or not to do something. And that's common sense. I look down at something and I say, okay, what's the return and what's the risk? Are we risking the entire business to grow 10% or are we risking the entire business to grow 500%? That's how I made decisions based upon risk.

I'll give you an example. In 2008, our carrier at the time was DHL. DHL had bought Airborne Express. And in December 2008, DHL left the United States, they left us cold and dry. They gave us 30 days to get all of our customers out of their system. I lost 85% of my business in 30 days. So, at that time, I had several million dollars in the bank and I had a choice to make. Do I take that money, bank it away or do I take that money and continue on with the business with a new carrier that our franchisor had gotten agreement with, UPS. Now I knew the UPS contract wasn't as, the margins were thinner with UPS. But, we knew that UPS was much more reliable. And our franchisor also decided to diversify and get into freight as well.

So, it was my risk, my calculated common sense decision to take the \$2 million and try and turn it into \$100 million. That to me is the kind of risk that was worth it.

Steve Sanduski: Yeah, that's a great story there. So that obviously was, I'm guessing it was maybe a tough decision to think about, you certainly weighed the pros and cons and decided that you're on a path of growth through life and you weren't just going to rest on your laurels there. So can you think back on perhaps another decision point in the business where you had a really tough decision to make? What was that like?

Jim Bennett: I've had many tough decisions to make. One of them was where I seriously took a look at myself and decided, do I know everything to take this company from being a \$40 million company to \$140 million company. And what I decided was that I didn't, that I didn't know everything. And that started my adventure into finding out more about leadership, leadership styles, how to lead teams and how to be successful.

One of the things that I did was get involved with a group called Entrepreneurs Organization. Now, they are a great organization for small, midsize and large entrepreneurs who want to better themselves and grow their companies. So, I went to many conferences with them. At one of the conferences, one of the speakers, I pulled them aside and I told them a little bit about my story, and he said, "You know what, you really need a professional coach." And I said, "What do you mean?" He said, "Well, you know, you're really successful and you're a born leader, but you need some of the basic fundamentals in order to get you where you want to go. And those basic fundamentals could really catapult you." So, he said, "Call this company CEO, Coaching International."

So I called them and they told me about their service, which is basically, they have CEOs who've run very large organizations, who could help me put in place a lot of the basic fundamentals that larger successful companies use to grow my business. And wow, what a difference it made. It made a difference in our daily, weekly, quarterly and annual meetings. It really helped us start to think how we measure things. And ultimately, on their recommendation, I got involved with a company called the DiJulius Group.

Now, at that time, I was working with my CEO coach and we were trying to figure out how to reduce my attrition rate. At the time, my attrition rate was about 19% annually. We were getting so big that we couldn't overcome it. So, we hired this company, The DiJulius Group, and within two short years, we got our attrition rate down to 3%. Now, trying to grow with 3% attrition is pretty darn easy. I give a ton of credit to the DiJulius Group and the CEO of Coaching International for getting me the tools that it took to reduce our attrition rate so we could really take giant leaps forward in sales.

Steve Sanduski: Yeah. That's a great great share in their, a great learning about the employee attrition rate. So going from 19% to 3%-

Jim Bennett: No, no, no, not employee, customer attrition.

Steve Sanduski: Oh, customer attrition went from 19% down to 3%. Oh, I thought you were talking about employee attrition. Okay. Yeah, well, yeah. Oh, nice. Okay, yeah. So 19% to 3% on customer attrition. That is phenomenal. Because yeah, now you're overcoming 16%, you got to grow 16% just to stay even between 19% last 3% loss. Yeah, that's a huge hurdle.

Jim Bennett: It was a turning point in our business really. When you get to a certain size, overcoming attrition at 19% became undoable.

Steve Sanduski: Yeah. Same thing holds true for like a SAS business model, where if you've got 20% churn per year and if you can get that down to 15% or 12 or 10%, same metrics will work for you there too.

All right. Now, you also had an exit here. So, tell me about the thought process that went into you deciding that it was time to change how the business was going to work for you.

Jim Bennett:

Okay. Our franchisor has been owned by private equity groups for, I don't know, maybe 15 years. They come in, they stay for three, four or five years until they've grown the business enough to double, triple their money and then they get out. So, a private equity group prior to the one that owns the franchisor now came to me and wanted to buy me out. It was an excellent exercise in trying to figure out a true valuation and what I wanted to do. And this was about three years ago. And it didn't work, we couldn't come to an agreement. But I got to understand and learn a lot about the process.

The CEO of my franchisor also got to learn a lot about me and what were going to be the key sticking points in a deal so that when the next private equity group came along, they knew what the deal points were going to be for me. We started talking, and they are an excellent group, we started talking about six, eight, nine months before the sale. We had a meeting down at their offices. Then I ended up going to the Masters with them and getting a feeling for who they were. Then I started talks with their CFO on valuations. And then there were a couple of sticking points that they knew that they were going to have to get to me.

One was, what am I going to do going forward? I wanted to be able to stay in the business and simply just start over. So as it turns out, this private equity group also owns another company that does the same thing as Worldwide Express. They are a 3PL, a reseller of transportation and logistics. And they set me up with a national franchise that I could now take everything that I learned, but I had a limited number of territories. And I could do it on a national basis.

So this really was the thing that put me over the edge. Obviously, I got a price where I will never have to work again. It's my choice to continue to work. It's something that I truly love.

Steve Sanduski:

So, that was all worked out, part of the deal, you're exiting, but you didn't want to play golf every day of the week. And so, you were able to work something out with them. I'm kind of hearing a learning here is that when you're looking at the potential people that might buy your business, if you still want to stay in and do something, that could be on the negotiating table for you.

Jim Bennett:

Yes it was. And they were very generous to me. They're a spectacular organization and its set me up where I could work with my son, who actually was, when he started in the business, he was the number one sales rep across the United States out of all the franchisees. Again, he was top as a sales manager. I could now get into the business with him where he was an owner and he got to truly understand what it takes to run a business and I'm having a great time working with it.

Steve Sanduski: Great, all right. Well, Jim, just a couple things here as we wrap up. So one, is there anything else that you want to share that we haven't talked about yet?

Jim Bennett: Well, obviously, every entrepreneur's journey has to have support. And my wife has been absolutely spectacular. She knew from day one that I was an entrepreneur and she knew that there were going to be sacrifices that we had to make, but in the end, it would be well, well worth it. And I truly thank my wife.

Steve Sanduski: Great. Yeah, I'm sure she'll appreciate that when she listens to this episode. All right, well, let's jump into a few rapid fire questions here. So, are there any core values or maybe principles that you live by that have been really helpful in guiding you through your career and your journey here?

Jim Bennett: Yes. Perseverance, integrity, and a commitment to win.

Steve Sanduski: Excellent. Okay. How about leadership? So I know you have spent time learning how you could be a better leader, you've hired coaches to help you be a better leader? Is there someone that you look up to in that area that you say that's a great leader and I aspire to be somewhat like them?

Jim Bennett: Yes, absolutely. My father. My father was my hero, my mentor. Not only one he a full time professor, but he had two businesses. And I can remember him sitting there at the dining room table working on bids and quotes and things inside of his business, his printing business. And I worked at the printing business as well, working with his rental properties. He truly, he was my leader.

Steve Sanduski: Great. All right, and one final question here, you mentioned that you're competitive, that you like to win. So as you think about that, are you driven by a desire to win or are you driven by a desire to be the absolute best that you personally can be given your capabilities and skills?

Jim Bennett: That's a great question. Obviously, for me, it's always to be the best I can be. But when it came to measuring myself, the first thing that I wanted to do inside of Worldwide Express was to beat all the other franchisees. That took me about three months. That was a lot of fun. And being number one inside of that system was always a lot of fun for me. But definitely, being the best we could be was much more filling in the end. And that translates to your employees much better. Your employees want to be the best that they can be. And when you're putting time, effort and energy into them so that they can be the best that they can be, that's truly how you grow a business.

Steve Sanduski: Yeah, that's amazing. Great. Well, I think that is a fantastic place to wrap up the conversation today. So Jim, I really appreciate the time you've taken here. Congratulations on the great success at Worldwide Express and all the great things that you're going to be doing on that your next opportunity here with the organization. So thank you.

Jim Bennett:

Thank you. I really enjoyed it and I wish you nothing but the best.

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