

Talking Business

with PETER SWITZER



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Michael Paul

has carved a niche in the logistics industry with his company Pack & Send. His innovation and specialisation has built Pack & Send into a national retail network. Michael is passionate about franchising and discusses building a culture of “no limits” customer service.

www.packsend.com.au

PS On *Talking Business* I'm now with the founder of Pack & Send, Michael Paul. At 46 years of age Michael has carved a niche in the logistics industry and turned it into a multimillion dollar national enterprise. His innovation and specialisation has built Pack & Send into a national retail network with over 85 stores throughout Australia and a winner of the 2007 PricewaterhouseCoopers Franchisor of the Year Award. Starting from humble beginnings Pack & Send has today become an Australian business success story with a national retail network generating revenue approaching \$30 million and annual growth rates in excess of 20 percent.

Welcome to *Talking Business*, Michael.

MP Thank you, Peter.

PS You must be proud of your achievement.

MP I've very proud. I was only saying to our stores the other day how proud we are to have our very first receipt from the first sale we had in our Pack & Send store back in 1993. It was for \$2.90 for one cardboard box. And the message we gave across to our stores was that it only takes one seed to grow a huge forest and we're very proud that we've taken a very new innovative business and developed it to a point where it's a substantial success.

PS Was the name of the person on the receipt so you can track that person down? [laughter]

MP Absolutely. Select Appointments was the name of the company. [laughter]

PS Okay fantastic. Let's hope they're still alive.

MP That's right.

PS Using your products, why wouldn't they be? Now tell us where Pack & Send come from because I remember when you started off in the early 90s, where did the idea come from?

Michael Paul

MP Well, the inspiration initially came from the frustration of having to send back, in the early '90s, one unpacked pc computer from Sydney to Melbourne. I found, well it was a two-day exercise. I couldn't find a carrier prepared to do it. I couldn't find appropriate packaging material. And from that frustration there was this, perhaps, an idea of a national network of retail service centres where I could just go to a store, plonk the computer on the counter of this store and just walk away. A service that could essentially do a job in five minutes that took me two days.

PS And I guess you're talking about the torture of the two-day test to get rid of something you wanted to send off. In the old days, and we still do it now some people, we go to Australia Post and we're trying to work out a solution to a problem while we're standing in front of people looking around for stuff when it really should be a job for a specialist.

MP Absolutely, and we just found the market wanted solutions, the market wanted convenience, they wanted personalised services, and from that single store we found our customers, which include major corporations now to small business, medium size business, university students, tourists, eBay buyers and sellers that have a huge demand for the convenience factor that we provide in getting something from anywhere to anywhere.

PS Okay. Let's go back to that Eureka moment when you said, I can make a business out of this. What did the business model look like in those days? Remind us what it was like.

MP Well, it was a retail store of about 100 square metres, well branded with Pack & Send, and a showroom at the front that had a wide range of packaging materials on display, and we just promoted that we would send anything anywhere. It was a hard slog in those early days, you know. This is when a new innovative service... People had been using Australia Post since settlement in Australia, so we had to turn around people's mindset in terms of there was a new service here in a convenient way, and that was a hard slog in those early days.

Michael Paul

PS I can remember the times that I would say to myself, now what you're telling me is this, you've got an interesting concept for a store and you want to drag people into your store with something as exciting as boxes and bubble wrap. Yeah, that's going to work, I thought to myself at the time. [laughter] But along the way a great innovation happened to really turbo charge your business, didn't it, namely eBay?

MP Namely eBay, and that was excellent for us when that came in 1999. A lot of people say to us, well, isn't that a great idea that you've got and how lucky you are in having the idea. But the idea wasn't what made Pack & Send successful. It's what we did with it. We built very robust systems, we built a very strong culture within our people in terms of the process that we would service customers – we have this no limits culture – and by the time something like eBay came long in 1999, we noticed several years thereafter a significant shift in consumer behaviour in terms of buying goods. They wanted to buy and sell second-hand goods and those things needed to be packed, and we at Pack & Send bridged that gap between the buyers and sellers of eBay. We provided this convenient packaging and freight forwarding service and that significantly helped to boost our awareness levels and our sales growth.

PS We're talking to Michael Paul, the founder of Pack & Send. And correct me if I'm wrong but your original model was that you thought there'd be lots of small businesses that will be willing to do this because it was a business service and it's tax deductible and all that sort of stuff. Clearly you still got them, you've probably grown that part of your business, but a new part of the business namely all these consumers using eBay.

MP Absolutely, but also with eBay, I mean eBay lead to the rise of a new class of entrepreneurs. There are substantial small businesses using eBay as a platform to sell their products and they take advantage of eBay's quality shopfront software and mature ecommerce payment solutions and we service a lot of those small businesses. So eBay to a large extent has broken the barrier of international

**Michael
Paul**

trading and those small businesses and consumers need a retail network like Pack & Send that can bridge that gap.

PS What did you do before Pack & Send?

MP I was in management roles in a logistics capacity for companies like Arnott's Snack Foods and Procter & Gamble, so I didn't have my own business before that.

PS Mate, for people who want to look into you and what you do, what's the website?

MP www.packsend.com.au. You'll find all about Pack & Send there in terms of our culture, products, services, franchise opportunities and all the latest news.

PS Great. Thanks for joining us on *Talking Business*

MP Thank you.