

ULTIMATE AUSSIE ENTREPRENEUR



Jim Penman has created a franchising empire and his diversification into insurance broking with Jim's Insurance is partly inspired by how poorly other insurance brokers had been performing for his many franchises



Insurance Business: *When and why did you opt to move your business into the insurance side?*

Jim Penman: We had been recommending [insurance] brokers for years but were discouraged by the poor service received, especially delays in treatment of claims and the sending out of renewals. At one time we were getting a call every week or two from franchisees asking us to apply pressure to get things done. We were also amazed at the limited use of IT by the brokers we dealt with, far less advanced than the systems we use to communicate with our franchises and clients, maintain customer service standards and so forth. We believed that by combining rigorous customer service systems and the most advanced IT with our brand awareness, we could provide a first rate service to the public at competitive rates.

JIM'S WAY

Started in 1983 as a part-time gardening business, Jim's Group now has over **2,900 franchisees** in four countries, and is growing at the rate of around 200 per year.

Jim's Group now has **33 divisions**, encompassing everything from Jim's Bath Resurfacing and Jim's Blinds Cleaning through to Jim's Dog Wash and Jim's Pest Control.

With an average annual revenue of \$100,000 per franchise, that means a total group revenue of around **\$320 million**.

Experience from our other divisions shows that people are very happy to use us when we provide first rate service, even with minimal advertising. We spend only about 1% of our turnover on advertising but had more than 80,000 unserved leads in the past year. An added advantage was the ability to cut insurance costs for our franchisees, and to ensure that all of them have the essential public liability cover.



IB: Do you basically operate as an insurance brokerage? Which insurers/underwriters cover your policies?

JP: Yes, we obtained our broker licence in February 2011 and operate as an insurance brokerage with a team of three highly skilled staff members who manage a book of over 5,000 policies. We currently have a number of supportive underwriters and partners that cater for our current insurance requirements. With a view to expand the business, we look forward to increasing our underwriter panel in the future.



IB: What types of insurance do you offer? Where are you seeing the most success across those areas?

JP: At present, we're mostly providing public liability, personal accident and illness, tools, trailer, motor vehicle, commercial property and home and contents insurance. But we're starting to have success with motor vehicles and property. Our best areas to date are personal accident and motor vehicle. Jim's Group franchisees often prefer to have all insurances with a single broker. This gives them one contact for any issue with leads, billing and insurance, and they can also contact me directly by mobile or email.



IB: What's your philosophy towards offering insurance? What's different with Jim's Insurance compared with other insurance providers and brokers?

JP: We have rigorous systems that measure and maintain quality, we invest heavily in IT, and win customers with excellent service. All Jim's Group customers are given my direct email address if their

difficulties cannot be solved at another level, a policy we intend to follow with insurance clients. We will always strive to do better. We will work closely with underwriters to minimise claims and reduce their administration costs, allowing us to negotiate better rates for our clients in the future. We will put the interests of clients and underwriter relationships before short-term profits. As a privately-owned company we can afford to think long term.



IB: What are your future plans for the insurance side of your business?

JP: We aim to make Jim's Insurance our largest and most profitable division within three years. This will be done by providing clients with personal customer service, attending to all matters with the utmost urgency, and constantly striving to provide the best product. We also want to establish a reputation in the insurance market of being a highly professional organisation whose number-one focus is our clients' interests. We are currently working on a new website, and look forward to opening to the public in September. **IB**

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