

Lessons Learned

A guide to rapid and
responsible business growth

FOREWORD

Thermomix in Australia is a mother-and-daughter business dedicated to good food, family and nutrition.

Grace Mazur was first introduced to Thermomix while visiting a childhood friend during a family holiday in Poland. She was amazed to see her friend's teenage children use the Thermomix to create an entire meal in minutes and as an avid cook, she had to bring one home.

Grace became the sole Australian distributor of Thermomix from Vorwerk International in 2001.

What started as a small operation from the living room of Grace's suburban home, grew to become a business that recently celebrated the sale of its 400,000th Thermomix in Australia and New Zealand.

The growth was exponential, and as a young company, we have learnt some valuable lessons and will continue to evolve on this journey of ours as a family business.

We have developed this document in the hope that other entrepreneurs and growing businesses across Australia can learn from our experience.

In this guide, we have outlined the top 10 lessons we learned from the challenges we faced managing our business through a period of rapid growth.

Our key lesson is that we're always learning and looking for ways to do things better. We hope that this guide will help other companies that are experiencing similar growth.

This reflects our experience. It may not reflect yours. It is no substitute for you obtaining your own independent professional advice. We encourage you to do that.



INTRODUCTION

In 2014, Thermomix sales jumped 48% within 12 months. While we were experiencing this rapid sales growth, we also had an expanding footprint across Australia, with thousands of happy customers sharing incredible feedback daily and large numbers of people interested in becoming consultants.

In hindsight, we can see the possible impact this rapid success had on our business.

This pace of growth can have a profound impact on the business model and structure. Time is needed to recognise the change and ensure growth is sustainable.

As Thermomix grew across Australia, we stayed focused on our mission of encouraging a healthier lifestyle for all. We continued to look at ways to grow and improve our business, while supporting our customers and consultants. At the same time though, our back-of-house functions and processes were stretched.

Our challenge was intensified by a coincidence of events.

The new TM5 model was launched on 6 September, 2014.

In late September 2014 a recall notice was issued for the lid sealing ring in the previous TM31 model.

When we faced complex issues over the past few years we made some mistakes. We now see that we should have done better with how we managed these complex issues. Aspects at the time were simply not good enough. We have learnt a lot, evolved as a company and would never make these mistakes again.

In April 2018, Thermomix in Australia reached an agreement with the Australian Competition and Consumer Commission (ACCC) on jointly proposed orders and penalties in proceedings brought against us by the ACCC.

This related to aspects of our response to managing this issue, including not informing customers of the potential safety risk of the sealing ring on their TM31 machine between 7 July 2014 and 23 September 2014. You can read more about the announcement and background [here](#).

We admit we could have improved the way we dealt with these complex issues, which had lasting effects on the business, our team and our customers. This guide focuses on our lessons learned from that time.

1. HAVE A LIVING BUSINESS PLAN

A business plan is a roadmap to success; a critical tool that spells out goals, charts how to get there and includes important financial considerations. It should be a living guide that is updated and changed as the business grows, with new goals, targets and forecasts.

A business plan should also contain a common, agreed vision that guides and drives decision making and sets business priorities.

While we had a business plan at Thermomix, it had become outdated because of our rapid growth. In hindsight, revisiting our business plan may have helped us realise that changes were needed to keep up with the growth.

A business plan does not have to be an essay – it can be as simple as using an existing template. There are many organisations that provide assistance for companies starting out – for a list of some please see Appendix One.

The other element of this lesson is to make sure to have the paperwork to support your business plan – the policies, plans and procedures that form the foundation of your business. These include HR policies, codes of conduct, and information about your core business and key personnel and roles.

Lessons learned

Review your business plan regularly.

Don't file your business plan away and forget about it. It's a guide to keep the business on track, predict any weaknesses, spell out the unique selling point and keep pushing towards your goals. Take time to regularly review it and re-evaluate your position.

Keep your paperwork up-to-date.

Set reminders to update workplace policies and procedures to make sure they are relevant, up-to-date and reflect the current working environment.

2. FIND THE RIGHT PEOPLE FOR THE RIGHT JOB

We're incredibly lucky to have a talented, passionate and engaged team at Thermomix – many of whom have been with us from the beginning. Our team's skills have had to develop quickly to deal with the company's rapid growth, and they have continued to thrive on completing new tasks and fulfilling their responsibilities.

We started to hit challenges in 2014 when we faced the potential safety issue with our TM31 model and received complaints around the way we launched the TM5 model. We realise we should have done things differently at this time in some areas of the business which might have helped us to navigate these complex business issues. We also acknowledge that we should have sought additional support.

Recognising this in 2016, we expanded our executive team to bring in personnel to complement our existing, talented team.

We strongly encourage internal promotions where appropriate. However, it's crucial to make sure that the person is truly right for the role. The key is to take emotion out of the equation and benchmark against the marketplace to confirm industry best practice. Skill sets are not the only thing to review – culture fit is an extremely important element too, especially for a company like Thermomix which lives and breathes a positive team culture.

Our other key learning here is to be realistic about what skill sets you need in-house.

Not all companies need an internal PR team, lawyers and accountants, so it's worthwhile building strong relationships with external partners who you can call upon when needed. Choose your partners carefully as they are often required when the stakes are extremely high.

Lessons learned

Benchmark against the marketplace.

Benchmark against the marketplace to ensure best practice and to make sure candidates have the right skills required for the position. Keep in mind the importance of culture fit.

Build trusted partnerships.

Choose external providers and partners carefully and build strong relationships. If you're not satisfied, don't be afraid to move on and find another supplier.

3. GET YOUR BUSINESS STRUCTURE RIGHT

Looking back, we realise there were not enough people empowered to make decisions when we started to hit challenges in 2014, and this meant we were slow to respond to growing issues.

As an entrepreneur who is used to having complete control of every task in hand, it can be hard to let go and let others make decisions when the business grows. However, learning to delegate can help you grow your business – and help you to focus on leading the business.

Allow your managers to do their job so you, as the business leader, can focus on business development and making key decisions.

Empowering your people also encourages them to speak up where they see inefficiencies or areas for improvement. Growing businesses need to be efficient. Take the time to reflect with your management team each month, review what's working and what's not. Look at what you can automate or change to reduce administration tasks to increase productivity and free up your team to do more meaningful work.

Lessons learned

Let your management team manage.

Delegate responsibility and empower your managers to make decisions and lead. Don't micromanage daily tasks. This will free up your time for strategic business development and relationship building.

Ask for meaningful input.

What do your managers think about a project or certain internal processes? Do they see room for improvement? You might be surprised by the suggestions they come back with.

4. LISTEN TO YOUR CUSTOMERS

We have all heard the saying that the customer is always right. We also learned that the customer always deserves a fair hearing. If a customer feels wronged, it's important to give them the opportunity to state their grievance.

Having the right customer service management tools and processes in place plays a crucial role in keeping track of your stakeholders and their concerns.

When we experienced our first challenges at Thermomix, we were not prepared for the volume of customer calls and emails that started coming in. Without the right software we couldn't efficiently record contact with our customers or any follow up action and with a range of platforms we were receiving contact through – from phone calls to emails, website comments and social media – our manual approach to tracking the customer journey was inefficient.

Also ensure that your team is properly trained in how to record their dealings with customers clearly and accurately.

We were unprepared for negativity and our response was to sometimes be protective and defensive rather than be guided by our core values (which can be found [here](#)), which focus on coming from a position of respect and empathy.

Lessons learned

Invest in proper customer tracking software (CRM or similar).

Invest in software that tracks, collates and records your customers' journey. There are many different levels of software on the market if you cannot afford a full-priced CRM.

Treat your customers with respect.

Remember they are your most important stakeholder and they should be treated that way. Be guided by your core values in all interactions and hear them out.

5. KNOW YOUR COMPLIANCE OBLIGATIONS

Understanding consumer laws in Australia can be challenging and sometimes overwhelming. There are multiple layers and interpretations of regulations that can mean the difference between a warning and a case to answer in a court of law. Similarly, there are multiple pieces of legislation that businesses operate under – from employment law to consumer law.

Compliance with these laws is essential; as is making sure the management team understands how the laws apply to them and the business. You need to know what could go wrong, what the consequences could be, and how to address issues appropriately and within regulations as they arise.

At Thermomix, as a young company, we found it challenging to keep abreast of the legislation that covers selling goods into Australia, including mandatory reporting of serious incidents. By failing to meet these requirements we failed some of our customers, our team and the public. Being aware of your responsibilities as a distributor or manufacturer is also an important part of compliance.

We have learned that it's crucial for businesses of all sizes to get good legal counsel on the relevant legislative requirements and advice on how to stay up to date. There should be at least one person in your company who is able to answer questions and is the contact point for compliance and the regulations under which you're operating, and who can explain these in plain English to other team members.

There should also be a mechanism whereby the company is kept up to date on legislation changes – for example, regularly checking the ACCC website or subscribing to relevant websites.

Don't be afraid to pick up the phone and call regulators and ask for their advice – it's better to be prepared than to risk non-compliance.

Lessons learned

Prioritise compliance.

Understand the regulations and laws under which the business is operating. Have a compliance program in place and ensure your team is trained appropriately so they understand what the requirements are and impress upon them the importance of following these regulations.

Ask for help.

Seek assistance from a lawyer or from the regulators directly if you're unsure about laws and regulations.

6. BE PREPARED FOR A CRISIS

Anything can happen when you run a business and you need to be prepared for the unexpected, including negative events. Based on the positivity and growth Thermomix in Australia had experienced, we thought we would continue our positive trajectory. When we faced a crisis, we were unprepared and unsure about how to prioritise and deal with the issues which were growing daily.

There are many situations for which you cannot plan. However, having a basic crisis management plan in place is essential.

A crisis management plan can be as simple or as detailed as you like but it should contain some essential elements:

1. Threshold at which an event is termed a “crisis” and when the crisis plan should be implemented
2. Who to call for crisis support e.g. a lawyer, a PR firm, an accountant
3. Action plans for each team – for example:
 - a. Management to call meeting to discuss implications with your team
 - b. HR to send internal email to your team
 - c. Manager to telephone priority one stakeholders
4. Basic communication plan:
 - a. What to include in a holding statement, plus a ready-to-go media release template and a company biography
 - b. Appoint media spokesperson
5. Up-to-date contacts list so communication can be quick and targeted (including all key stakeholders and media)
6. Timeline of communication and priority
7. Clear guidelines for how your team should communicate with customers.

Timing is everything in a crisis. While all outcomes and scenarios cannot be predicted, good planning means you can respond more quickly when an issue occurs, and this may mitigate some of the negativity around the incident.

The other valuable lesson we learned was that every effort must be made to allow a business to perform as usual when facing a crisis. Where possible, allow your team members dealing with the issue to work separately from those dealing with day-to-day business, so that everyone can stay focused on their roles.

Lessons learned

Have a crisis management plan.

Develop a crisis management plan that includes an up-to-date contact list for all key stakeholders and who you can call for support (lawyer, accountant, PR firm).

Regular business must go on.

While dealing with a crisis, business must also proceed as usual. Team members not dealing with the issue directly need to be able to continue their work, meet deadlines and orders, and push ahead without getting distracted.

7. BE PREPARED FOR NEGATIVITY

Every major Australian company has probably had to deal with negativity from the public and media at some point. How you deal with this negativity shapes your brand recovery and can have a lasting impact on your reputation.

Thermomix had no experience of negativity in the early days of our business – we had hugely positive reviews from customers, growing sales, a thriving business and generally positive media coverage. That all changed in 2014 with the issues surrounding the TM31 sealing ring and the TM5 launch. Suddenly there were multiple negative stories being broadcast across national and international media, with detractors coming out daily.

We were surprised by the level of negativity surrounding our product and our company, and overwhelmed by the media commentary. Our reaction was to go quiet and not respond to individual media queries.

We now know this was not the appropriate response – there was a silence that was taken up by detractors. We lost the chance to tell our story and struggled to regain it.

It was not just the traditional media and detractors that surprised us – we were taken aback by the social media response. Stories can gain incredible traction on social media with people sharing their own experiences, tagging friends, and generally galvanising support from their digital community. We were unprepared for the amount of negative social media attention we received, including the level of anger and the frequency of content that was being posted.

Dealing with complaints coming through social media can at times seem relentless. It's important to not take it personally and to ensure that a strong social media policy is in place to deal with comments. The policy should clearly spell out expectations for your community, and set out a social media response timeline which you should

always strive to stick to. Know the rules of social media engagement and be as transparent as you can be.

The most important lesson for us was to ensure preparation for the downside of any announcement. Fully considering and preparing for as many potential outcomes from announcements could have helped us manage negativity and reduce the impact.

Lessons learned

Have a media strategy for major announcements.

For all announcements, have a media strategy in place that considers all contingencies and reactions. Designate a spokesperson to address any media requests, including interviews so they can easily be arranged. It's always better to be over prepared than under prepared.

Don't underestimate the impact of social media.

Be prepared to monitor social media for any announcement. Have a dedicated team in place who is responsible for monitoring and responding to social media with approved answers.

8. COMMUNICATE WELL (AND DO IT OFTEN)

Good communication with your team is an essential way to grow trust and foster a positive team culture. Sharing important updates, news and achievements builds a positive work environment, keeps everyone feeling valued and connected, and working towards a common goal.

The method of communication can be anything from a regular internal e-newsletter to a video wrap-up by the CEO; so long as it's consistent, engaging, interesting and demonstrates your values.

Communications are especially valuable if the business is experiencing change or challenges, as it provides your team with a single source of truth to avoid misunderstandings. It's amazing what your team can achieve when they are consulted, kept engaged and treated with respect. Our people are our greatest ambassadors and we learned the importance of supporting their pride in our business.

We recognise the importance of open and transparent communication. While it can be easy to slip into working in silos and limited sharing, we recognise that regular communication would've helped in 2014 to alleviate stress, but also unify the team.

Lessons learned

Communicate regularly with your team.

Keep everyone informed on a regular basis. Use consistent messaging (wording, as well as look and feel), and be as open and transparent as possible. Be consistent with the frequency of communication so your team feels valued.

Create one source of truth.

Be consistent with messages. If you're telling key stakeholders one thing, make sure those messages align with what you're saying in public.

9. LOOK AFTER YOURSELF AND THE TEAM

As your business grows, you'll no doubt be working long hours to keep up with paperwork, business development and a range of other important tasks. When things get stressful and busy it can sometimes be easier to just push ahead – drink more coffee, have more late nights, or sacrifice the time you would normally spend with your family. From our experience, it's extremely important to take the time to look after yourself. You're the linchpin of the business and need to be fully rested and healthy.

The challenges in 2014 left us feeling bruised and exhausted. We had an extremely dedicated and talented team that was always willing to put in the extra hours to achieve our goals, but we needed to recognise sooner when our team members needed some time off or flexible hours to make sure they didn't burn themselves out. When people are burnt out a bad situation can be made worse.

One of the things we're most proud of at Thermomix is our incredible team culture. We're a team of passionate individuals all aligned with the business vision, mission and values, and this is reflected in how much our people are willing to go above and beyond their regular duties to get work done.

Maintaining a good team culture means happier and more productive team members, and this provides a solid foundation to help navigate challenges.

Lessons learned

Look after yourself and your team.

Make sure you take the time to keep yourself well nourished, well rested and connected to your family. Ensure your team are doing the same and look out for their wellbeing when going through challenges.

Establish and maintain a good team culture.

Make an effort to build a good team culture and ask for feedback on how this could be achieved. Recognise your team, be consistent and keep maintaining these positive team building steps.

10. WE'RE ALWAYS LEARNING

One of the most important lessons we've learned as a business is that we're always learning. While we've made several significant changes to our internal structure and processes since 2014, we're aware that we still have work to do and we'll never stop looking for ways to improve.

All businesses need to re-evaluate regularly to make sure their systems, team and supporting networks are functioning to their optimal capacity. We recommend making the time for reflection and re-evaluation.

Whether it's getting out of the office once a month with your management team (or on your own), make sure you take time for a good, hard look at the business, to determine what's working and what's not. Another way to achieve this is to ask for help.

Don't be afraid to build a relationship with a business mentor you trust and admire and ask for their counsel.

Lessons learned

Make time for reflection and re-evaluation.

Whether it's every couple of months or every 6 months, take time out with your management team to examine the business and look at what's working and what's not.

Ask a mentor for advice or external review.

Reach out to people you admire in your industry or in the business community and ask for their feedback or advice.

APPENDIX ONE

Small business advice

WA:

<https://www.smallbusiness.wa.gov.au>

South Australia:

<https://business.sa.gov.au>

Victoria:

<http://www.business.vic.gov.au>

Queensland:

<https://www.business.qld.gov.au>

Northern Territory:

<http://www.startrungrow.nt.gov.au>

Tasmania:

<https://www.business.tas.gov.au>

ACT:

<https://www.business.act.gov.au>

Business templates and checklists

Australian Government resources:

<https://www.business.gov.au/info/plan-and-start/templates-and-tools>

WA: <https://www.smallbusiness.wa.gov.au/templates-guides-tools/business-tools-and-templates>

South Australia: <https://business.sa.gov.au/start-your-business/Tools-and-templates>

Victoria: <http://www.business.vic.gov.au/setting-up-a-business/how-to-start-a-business/write-a-business-plan>

Queensland: <https://www.business.qld.gov.au/starting-business/planning/business-planning/business-planning-kit>

Northern Territory: <https://nt.gov.au/industry/start-run-and-grow-a-business>

Tasmania: http://www.egovernment.tas.gov.au/project_management/supporting_resources/templates

ACT: https://www.business.act.gov.au/business_advice/start_your_business/how_to_set_up_your_business/business_planning

Business advocacy

Australian Chamber of Commerce and Industry:

<https://www.australianchamber.com.au>

Council of Small Business Australia:

<https://www.cosboa.org.au>

Business Council Australia:

<http://www.bca.com.au>

Small Business Association:

<https://smallbusinessassociation.com.au>

Leadership development and support

The CEO Institute:

<http://www.ceoinstitute.com/>

Women & Leadership Australia:

<https://www.wla.edu.au>

Australian Centre for Leadership Development:

<http://acld.com.au>

Community Leadership Australia:

<https://communityleadershipaustralia.org.au>

Regulation advice

Australian Competition and Consumer

Commission: <https://www.accc.gov.au>

Australian Government:

<https://www.business.gov.au/info/plan-and-start/start-your-business/legal-essentials-for-business>

Australian Government:

<https://www.australia.gov.au/information-and-services/business-and-industry/abn-acn-business-management/small-business>

