

Divine inspiration brews success for Gloria Jean's coffee houses

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A near religious zeal is an important ingredient in small business success, writes Peter Switzer | *October 30, 2007*

IT has been one of the greatest growth stories in modern Australian franchising and even business generally.

And one of the founders of Gloria Jean's Coffees - a member of the Hillsong Church - claims his religious background had a lot to do with the vision and divine inspiration that created this success story.

Peter Irvine has released a new book called *Win in Business* revealing what he thinks are "20 keys to catapult you towards your vision". The book chronicles his experiences building the franchise system with his close friend, Nabi Saleh.

Both are devout Christians and, in fact, Irvine not only admits to being inspired along the road to business success with Gloria Jean's by the likes of business guru Peter Drucker but also by the Bible's proverbs and an array of ministers from his church.

For those who've missed it, the US-born coffee business, Gloria Jean's, started in Australia in 1996 with a plan to open 25 stores over 10 years. In fact, they have over 400 stores in Australia alone.

The growth momentum has been so powerful that in 2005 the Australian franchise bought the international brand -- except the US and Puerto Rico brands -- but it delivers 15 countries and their stores.

The original company was founded in the US by Gloria Jean Kvetko in 1979. It was never an outrageous success and the two Aussies who imported the business down under were big innovators from the original Kvetko concept.

"We now have over 750 stores across 30 countries," Irvine says. "We have won the Franchise Council of Australia's 2005 Franchisor of the Year, the 2006 national Retailer of the Year and the 2006 Emerging Exporter of the Year award."

For the statistics collectors, the stores brewed around 50 million cups of coffee in 2006.

Irvine knows if they had listened to the experts their success would never have happened and he warns against established mindsets and negativity. Building a business on a person's name and the name itself was not perceived by marketing people as great strategy.

"When we started in Australia, people told us to change the name because it sounded more like a fashion store than a coffee retailer," he says. "In any case, I have found that you can

build a brand around a name. When McDonald's launched in Australia, no one automatically associated the name with hamburgers." In fact, Irvine was a part of the team at ad firm DDB Needham Advertising which launched McDonald's in Australia in the 1970s.

The naysayers warned Irvine and Saleh that Australians would not embrace flavoured coffee or take-away cups but they had grasped an understanding of the market better than many of their rivals and the results prove it.

Irvine thinks the "vision thing" has been crucial to the success. When they kicked off the 25 stores, the vision was thought to be "huge", so how did they end up with over 400 stores locally? The vision was the starting point.

"Before we started Gloria Jean's we wrote down our vision, mission and values for our company," he says. "Our vision was: 'To be the most respected and loved coffee company in Australia'."

When it comes to vision, the bigger, the better -- and Irvine thinks it releases resources to induce growth. And it is fuelled by the passion of the leader. But that doesn't mean you can't make mistakes in pursuing growth.

"In the early days at Gloria Jean's we were asked to invest in coffee carts -- mobile coffee units with espresso facilities for hire at events," Irvine recalls. "We later realised they were not a part of our core vision."

However, the lesson was only learnt when problems arose concerning power, sourcing clean water, mobile fridge requirements and other challenges.

This innovation was at odds with the founders' initial mission statement which read: "Gloria Jean's Coffees is committed to building a unified family, consistently serving the highest quality coffee and providing personalised service in a vibrant store atmosphere."

The vision and the systems that make it happen are two of the biggest assets of a franchise system, along with the people -- staff and franchisees and their employees. Blow this mix and you don't see the kind of growth that this company has registered.

US Verne Harnish, the author of *Mastering the Rockefeller Habits*, who is now touring and lecturing in Australia, thinks the selling of the vision is critical for growing a business.

"You need to market your firm to potential employees with the same vigour you use to attract customers," he says.

Harnish and business thinkers like him advise that the leader's vision is used to achieve alignment between a leader's dreams and what the people who work with him, employees and franchisees, actually produce.

Cynics might snarl at business high achievers thanking God or Allah for their success but you can never underestimate the value of non-business forces in corporate success.

Adman Siimon Reynolds once informed the media that he was now spelling Simon with two Is on the strength of advice from a numerologist who told him it would bring good luck.

His start-up business Love Communications later rolled into the publicly listed Photon Group, which is now valued at over \$400 million.

Business success is driven by many forces but a common characteristic is a leader's belief in the vision and a near religious zeal to make it happen.

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