

Hold the line

A practical joke was the catalyst for Kym Illman to start a multi-million dollar company

A few days after talking to Messages on Hold managing director Kym Illman, a package arrives in Wealth Creator's office.

Inside are personalised packets of tea ("You're tea-riffic") and chewing gum ("You're Extra Special") and coffee, all with my name printed perfectly on the packet. Sure, it's a small detail, but given the amount of interest the products got as they were passed around the office, it's no wonder Messages on Hold has developed a strong reputation for doing things differently and producing memorable campaigns.

Of course, it's not the first time Illman has done something memorable. After all, the company he now heads up was born after his sacking from Channel 9 for a practical joke gone wrong.

"I rang the CEO in Sydney and asked if rumours of [staff] sackings were true and then gave him someone else's name in the organisation [as the source of the rumour]," Illman said.

"Then I had to own up that it was me because they had given that guy a grilling and they said, 'You're sacked for that', I said, 'Fair enough' and off I went. I was out on my arse and had no real prospects of getting a job in the media in Perth, I had only been there for two years and had not built up any real loyalties or alliances."

But Illman did have an idea for a business, based on his time in London where he saw Top Shop had an in-store DJ.

"I went to Jeans West and Just Jeans with the proposal that I do a weekly radio-style audio production," he said.

"Jeans West jumped at it. I landed on

my feet earning the equivalent for my two-days work to what I did at Channel 9 for five days.

"Then I realised that if that went belly-up, which it actually did a couple of years later, I might be in trouble, so I stumbled across the idea of on-hold phone messages when I was put on hold at American Express listening to their promotion while I was waiting.

"I thought: I can voice it, I can write it, I can mix it, I can sell it, I can collect the money and I can certainly spend the money. I got a brochure printed up and my first client was the Australian Taxation Office. They came on board and I sold them a cassette player, I did endless loop tapes and I did the whole box and dice and was the perfect one-man band. Then I got another client and another and another. Today our productions are heard in well over 11,000 sites in Asia Pacific. We are the largest of our kind in the world; no one turns over more in messages on hold revenue than we do."

The company wasn't the only thing

"They said, 'You're sacked for that' and I said, 'Fair enough' and off I went"

that grew; Illman was fortunate enough to start his family through his business empire, too.

"I was very lucky in that the first staff member that I employed, I ended up marrying," he explained.

"She has been a sensational

assistance to me, because she takes care of everything for me, leaving me nothing to do but focus on this business. Had I been running around being distracted by the things that most people are distracted by in their relationships, I may well have never got to where I am today."

Although the company has had its share of drama (such as employing an accountant who was actually a scam-artist or setting up an arrangement with a rental company that later tried to shop its client list to competitors) the growth overall has been strong.

"In the early days we doubled turnover every year for about seven years, then it got a little bit harder," Illman said.

"We have always done it on the basis of 're-plough the money back into the business'. We bought a couple of competitors, not terribly large ones. Unfortunately in my industry, not too many of our competitors are smart enough to build an asset. They are mainly out there doing ad-hoc productions and don't charge a monthly fee, so when they go to sell, they are just selling a few names and some past history. If we ever sell, we have this beautiful asset of this guaranteed revenue stream."

Illman credits much of the company's success to its ability in marketing.

"We are quite well renowned as probably Australia's best ambush marketers," he said.

"When people look for someone to manage this part of their business, advertising to customers when they are on hold, typically they look for someone who can market their own business. If

we can't market our business, we don't have a hope in hell of marketing our clients. That tends to stand us in good stead."

Lately, Messages on Hold has also embarked on online video marketing – with spectacular results.

"We have done some brilliant viral videos that have had close enough to 9 million hits and that has proved an absolute windfall for us because it drives traffic to our website to watch a longer version, an infomercial where I appear nude and it gets them excited about the concept.

"I know that they wouldn't listen to me prattle along for six minutes without stopping, but they will watch this video because it is entertaining."

Illman has also launched another company – called Groove Gallery – in a return to his roots providing soundtracks to retail environments.

"If you are a restaurant owner or a gym owner at the moment you have been savaged by rate hikes by a mob called PPCA (Phonographic Performance Company of Australia)," he explained, noting that fees were also required by APRA as well.

"Suddenly you are paying \$12,000-plus per year just for the rights and these companies are hurting. These are savage hikes that these businesses can't afford. They still want music because they know it is vital as it has to set an ambience."

The Groove Gallery has produced music, which is free from these fees.

"It is aimed at industries that are looking for lyric-free music, because if I am talking to you in a restaurant, I don't want lyrics interrupting our chat. I just want this music in the background to make me feel comfortable," Illman added.

"Most people couldn't give a damn what is playing in the background,

they are there for another reason and probably don't even realise that they have a need for music, but the business owner does. If people come on board with us the most they will pay is \$75 a month; they get the equipment, they get the music and no royalties to pay on top of that."

The response to the new company has been good so far, but Illman said he expected business to increase as more companies realise the cost of licensing.

So what has been the most important lesson from business that Illman has learnt?

"I have been caught a couple of times being too trusting and getting too comfortable and thinking that everything is fine and not taking enough interest," he admitted.

"Those are refocusing moments. I am thankful that I have some great people in here that look after it, but you can't afford to put 100% trust – you have to keep looking all the time. I write books about customer service and I do telephone techniques and I am out there saying, 'This is what you have to do to be successful,' then I hear my staff not doing it and I have to be onto them all the time. I can't have my client read my book and then find my team doing something different – it makes me look like a liar.

"It needs somebody who has the passion to constantly be finetuning and getting people back on the road, because they will drift off in tangents. If you don't keep directing them, service will suffer and clients will walk."

And Illman's advice for others?

"In the start-up phase [business owners] have to be a jack-of-all-trades and not spend the money before it is there," he said.

"I wasn't accruing debt every week waiting for things to turn around. Do

as much as you can yourself, get a complete understanding of the business. Then have a willingness to give up some of those areas to those who know more.

"I honestly believe that if you focus on anything for long enough it will work. Everything that we have done in our business has revolved around focus.

"Don't accept no for an answer. I meet some amazingly negative people in my day-to-day travels. It is all too hard, you can't do it and you have just got to keep pushing and pushing and pushing. We have a 'three no policy' here. If you get a no you have to escalate it to the next level, you never accept the first no. People think that if you accept no then they have got out of it the easy way as there is no more work to do, you can go back to what you were doing and the customer goes away. We don't want them to go away, we want them to love us." **W**

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AT A GLANCE:

NAME: Kym Illman
POSITION: Managing director
 Messages on Hold
Age: 49
FOUNDED: 1988
COMPANY TURNOVER:
 \$12.5 million
HEADQUARTERS: Perth