

# THE **small** BUSINESS BIG **MARKETING**

*show*

INSANELY EFFECTIVE  
MARKETING

## Episode #459

How to make a boring  
service interesting  
with Sendle founder  
James Chin-Moody

“WE CAN SEND  
TIM TAMS TO  
BASE CAMP  
FOR \$10!”

James Chin-Moody, Sendle



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## **James Chin-Moody Interview Transcription**

**Tim**

James Chin-Moody. Welcome to the small business big marketing show.

**James**

Thanks for having me Tim.

**Tim**

I'm going to be a little bit of a fan boy. So you'll have to excuse that right up front. I love the Sendle brand. I don't use it I'm not a huge sender of parcels and things. And I'm trying to figure out what I love about it and we'll get there by the end of this chat. So first of all thank you for bringing it to market.

**James**

Oh thanks so much. I feel lovely here. Really it is interesting that for us our purpose is to help small business thrive. That's why we created sendle. And it's really interesting it's all about the choices you make around. What do you include and what don't you include. And we only do the things that help small business. That's probably part of what you might be feeling.

**Tim**

There's a subconscious thing going on there that draws me in. As a judge on the New Inventors TV show did you used to sit there thinking Geez I'd love to invent something I could call my own.

**James**

Absolutely. I was a judge on there for about eight years and I must say it was one of my favorite things that I got to do. Because you just got to see inventive Australians seeing a problem and then finding a solution to that. And I must I still am in complete awe of folk who can do that. You know create something out of nothing particularly ones who see something that no one else saw. And that's really what the new inventors was about. It was actually celebrating those folks who could see things that were in plain sight.

**Tim**

I think it's part of the reason I do the show I'm just in awe of small business owners generally ones that disrupt staid industries are particularly interesting in all these startups that are coming along but I just think small business generally and clearly you would share the same view is that they're just full of courage and bravery.

**James**

It's both the lifeblood of the economy but it's also the folks who are willing to stand up and give it a crack. Often it's standing up and finding out solutions that others might have missed. I actually think it's the folks who can move more quickly there's a new saying that

it used to be that the big eat the small. Now it's a matter of fast eats slow and that's where the real capability of small businesses are going more quickly than the big guys. And if you can do that now you can take market share because of tools that you never had before. Whether it's marketing tools online whether it's the ability to build businesses really quickly whether it's technology that's the capability of small business

### **Tim**

It's amazing isn't it. I mean the landscape and I live in the marketing landscape but I'm sure it applies to all the other parts of business whether it be H.R. or I.T. or cash or accounting. We can us small business guys can act so much bigger than we used to and compete against businesses with much deeper pockets which is what you do.

### **James**

Indeed. And in fact the small business owners who can integrate these services because in the old days it used to be they had to create everything from scratch. Now if you want a billing service you just go to a zero and bang it's done. If you want a marketing. Well you got all these channels that never existed before and you can do it really targeted and really micro. I guess the point of Sendle was if you want shipping now you can actually get shipping rates that the big businesses get. And you get door to door delivery you can have all those things and you don't need to do anything in order to make it happen.

### **Tim**

And have fun doing it. Will come to that in a minute when you're looking to disrupt an industry as you were looking around because you spent time as an employee for many years whether it be of the ABC or the CSIRO and you were very much an employee were you sort of looking around at industries to disrupt? That's what Branson does.

### **James**

Yeah actually funnily enough and my journey for Sendle really is a bit of an accidental journey. You might say because we weren't looking to disrupt an industry or disrupt the National Postal monopoly in Australia. In fact it actually started off as I was looking after my two young kids I was the primary carer my wife had an executive role at an airline. And interestingly I was looking for something to do and with a friend of mine we actually started up a giving network. So I had a six month old and a two year old I was surrounded by baby clothes things it's like how can I find another life for these things. And so we actually just started this network of giving and the idea being that a bag of baby clothes you can't sell that folk are willing to they'll pay for the shipping if you're willing to give it away. That was the original premise and so we built this network. It had about 50000 it was much more successful than we thought it would be about 50000 people all giving stuff away so we suddenly realised it was hang on we need a shipping solution to that. You know they were driving across town and we actually needed to find a shipping solution that was we think of it as simple reliable and affordable it would be really really easy because if you make it any difficult in any way people would stop giving. It was like we were competing with the rubbish bin you had to be really reliable because again if you didn't it was the receiver who would basically start going well I'm not going to give away anymore and it

had to be really affordable because the residual value in these things a bag of baby clothes or secondhand pair of golf clubs is really not worth that much. And what we found is though that the existing solutions out there nobody could do what we needed which was door to door delivery really cheap rates and really really simple but then and this is probably where the sendle story began. What we found is that though there are all of these enterprise couriers right you might not know who they are but there's lots of them out there that are just working for big business. And what we said is well hey we've got 50000 people who all want to send stuff from one person to another. If we were to help them do all the customer support do everything would you give us your enterprise rights and first one and then a second and others because really Sendle said we were going to take full responsibility for getting that parcel there and really we found that they all had idle capacity that we could tap into. And so before we knew it and time goes by very quickly in startup land this is back to 2014 before we knew it we'd actually built a national network for our own purposes. A national network that funnily enough was actually cheaper. Cheaper to pick up a parcel from someone's house or their small business office than it was to line up at the post office.

**Tim**

Wow. So that's Sendle born.

**James**

And then funnily enough that was how sendle was born. It was actually born the moment that some of the members of that network that giving network actually started to use it for parcel delivery not for giving. They'd sell something on eBay and then they'd pretend to give it away to the same person and why would they doing that. Well it's still the case if you want to send 10 kilograms of Sydney to Perth you can line up at the post office and paid forty five dollars.

**Tim**

So I'd rather set fire to my own legs.

**James**

Well that's the thing. You can pay. You can line up and pay 45 bucks. We'll pick it up from you and we'll send it to Perth for less than 20. Right. And so it's more than 50 percent off for this exactly the same journey and you don't think that the big guys the amazons pay forty five dollars. That's impossible. Absolutely not.

**Tim**

So just to be clear. Sendle. I just wanna get really clear on how sendle work so you say you are no trucks number one. Correct?

**James**

Absolutely courier. But what we do is we basically unlock the capacity of others from a customer perspective from a small business perspective. You don't really care. You just want to get your parcels from a to b. We'll take full responsibility. One of our providers will

pick it up from you and they might transfer it to another provider and it will get delivered. But we'll do it cheaper than post and we actually have a price guarantee that same city on national parcels are cheaper than posts with free pickup and we're generally faster as well.

**Tim**

You got a 100 percent guarantee. How do you trust the reliability of all these different logistics and transport companies that you're partnering with. You have an agreement? What must they deliver to you?

**James**

Well actually it's interesting because we have such a big network. So we now have the biggest minimum of one pickup network in Australia. And we can now deliver to anywhere in the world if we can deliver a packet of Tim Tams anywhere in the world for less than 10 U.S. dollars. Base camp Everest. We can do that and again we'll pick it up from you for free. We can do that because we have so many suppliers now and we're choosing between them. What we do is we do the choice on quality of their network not on price. For us the quality of the network is the most important thing. And so we like to think that we're actually picking out the best bits of all the enterprise couriers in Australia and making them available to small business. So we can level the playing field between small business and big business.

**Tim**

There's got to be a TV ad in the fact that you can deliver a packet of Tim Tams for 10 bucks to the base camp of Everest. Have you ever ever done that?

**James**

We think of it as parcel to anywhere and we can look for the same price. One of the other things we do is try to keep the pricing really simple because if you're a small business e-commerce provider you don't have time to try to work out how much it's going to be. And you don't want to get caught out because somebody's got a customer in Zimbabwe or Mongolia who wants your T-shirt or your jewellery or whatever it might be you just needed everything to be simple. And so what we do is try to take all that complexity away and make it easy so you can work out do I want to charge a shipping do I want to do free shipping. What do I want to do. Well again it's that simple reliable and affordable. That's what small business needs for their parcel.

**Tim**

The other things too. I mean you've certainly a very competitive price wise against Australia Post but the other thing you've done is you've just gone and identified all the pain points that were incurred with parcel delivery for the small business owner or for anyone really from standing in the post office to the pricing being completely complicated to the myriad of options to everything really and you just go on and address them and I sort of look at some businesses and probably many business owners listening now where if you are operating in a complicated industry surely someone needs to take the simplified route and they're going to win aren't they.

**James**

You hit the nail on the head Tim because I think we looked at Uber for example. And Uber didn't just solve one pain point. Yes there was some big things they did they really tried. They looked at the entire customer journey and they tried to solve for them all. So you can see the car the taxi approach or the driver approach but they also solved simple billing. They sold reliability with ratings which is the same thing we did with sendle. You can actually rate your driver. They solved all these different pain points and so back to 2014 and a little bit 2015 we didn't just take what we'd built and make it into sendle. We actually took a step back and we said what are all the pain points the customer goes through as they want to send their parcel particularly if they're sending it by lining up at the post office. And we just spent almost a year making sure we'd remove them all. As many as we possibly could because for us that is the true sign of a beautiful solution. When it's just frictionless from end to end.

**Tim**

Love that. It does beg the question James who is looking after the kids.

**James**

Look I was still the primary carer until just last year. And now we're doing a bit more sharing which is fun. But it is interesting it's one of those things you can. My wife and I we talk a lot the kids very involved in this. It's a whole family when everything is small business the whole family is on that journey together.

**Tim**

What did you do with the giving network? Did that kind of go by the by? Did you sell it? Still exist?

**James**

Yeah. It's really interesting and one of my biggest lessons in this entire journey has been about focus to be really honest. When we first realized that there was an opportunity to basically other thing we saw as Australia Post is a monopoly it's a functional monopoly in Australia. A lot of people don't even know that there is an alternative. But when we started to realize that we'd created a sendle out of the giving network for a while there we were actually trying to run both and I think one of my biggest lessons was and a friend of mine once told me this if you try to chase two rabbits you don't catch either. And I think for a little while there we were trying to chase two rabbits and meant that we'd split the team in two. But of course one bit of the team sendle pretty much has been growing more than 15 per cent a month for the last I think about to month number 40 now. It's just went crazy. And while that given network was growing it wasn't going anything like that. And so you had one team that wasn't growing as fast as the other. It affects teams on. I really just think you can't chase two things at once. You have to commit 100 percent to one. With heavy heart we had to shut down the giving network.

**Tim**

Okay because I often say one is a dangerous number in business you read that every now and then in those Harvard Business Type books. But I guess your focus on sendle kind of led to. The other thing I hear having interviewed so many successful business owners is that when they do shed everything else so they're focusing on and just focus on the one thing that's when the magic happens.

**James**

Yeah absolutely. For me it's again the big difference between a startup and a really big business. The really big business trying to spread its risk with a startup you're trying to be fast because I think there's one thing that kills startups it's time you run out of time which means you run out of money or you run out of enthusiasm or a competitor catches up or somebody copies you whatever might be it's all that time. And so you think that what are the things that will speed me up and the best way of speeding up focus. Doesn't mean blind focus right. You need to be constantly learning and then like we did we had one business that morphed into another one that's fine. But I think if you don't focus and like in a lot of my lesson has been that how do you do that if you don't focus it'll slow you down which means you don't have your biggest advantage which is your speed.

**Tim**

James at what point I'm sure it happened. Did you get the cease and desist letter from Australia Post?

**James**

It is very interesting when we are trying to think about how we would describe the sendle service back in the very early days we'd settle on the name we love simple reliable affordable sendle. We think that sort of worked really well together. How do you describe our service and we actually came up with the phrase post without the office because it really is it's the same. We think it's trying to be the same at post in terms of really the basics which is you can send to anywhere the parcel will get there but actually so much better in terms of the things we'll do it free pickup greater customer support simple pricing all those things so post without the office was a great way to differentiate from Australia Post and then as you said the interest thing and this is probably I think of it sometimes as a bit of it's one of the things you get in a country that has a postal monopoly. We got a letter in the mail from lawyers which really was you can't use this phrase we'd actually trademarked it and they took us to court and tried to stop us from using the phrase post without the office with the argument that they own the word post which again we argued that that wasn't correct because post is a general term that a lot of folk use.

**Tim**

And you're using it a lot now and in your marketing messages. So you must have won.

**James**

Yeah. After two years and in some ways it taught us a lot as well. We went through a lot of soul searching because it was expensive but we think our customers are small businesses

stand up to big businesses every day. And so if we didn't stand up to our big competitors then we wouldn't be being true to our purpose which is to help small business thrive.

**Tim**

A two year court case. What were you fighting for? Was it the ability to use the word post?

**James**

It was the trademark post without the office as a way of differentiate. Differentiate from the post.

**Tim**

Because I would've thought you could come up with another tag line post without the office. But the fact that you want to use the word post throughout the life of sendle would be really that's kind of the main to your court case. Would've been expensive. Do you have to pay the bills after all that?

**James**

I'm pleased to say that there was that some of that but you never really get the time. The full amount but at the same time. It just proved to us that we could stand up to a big postal monopoly we could. Again I think it sort of also meant that we wouldn't be pushed around and we really do believe that Australia deserves and small business deserves a really top notch and legitimate competitor to Australia Post.

**Tim**

Absolutely. How much of a dent do you think you are making in that now?

**James**

To give you a sense of the scale because I'm a complete nerd. I recently tried to calculate how far if you put all the parcel limits end to end and I've worked out we've actually well past Neptune in fact we've sent for light hours of parcels it is very exciting.

**Tim**

You are way too nerdy.

**James**

Yeah that's more than 30 times of the sun and back basically. We also believe we're facilitating over 200 million dollars with the small business ecommerce every year in Australia and these small businesses who we think might not have otherwise been able to. In fact we get this feedback from a lot of customers. I think without you my business wouldn't be able to survive because the shipping rates our paying was crazy. Now I have an extra hour a day because I'm not lining up. If you think about it you don't want to be spending your time doing parcel delivery and chasing parcels and lining up you gonna be spending your time building your business. That's what small business should be doing.

**Tim**



Well to that point you spend a lot of time in beautiful design land from user interface the website user experience your branding. Now you could say well you're just a logistics company so why are you doing that clearly. I mean it's sort of I know why but you do. I mean tell me about how that comes about. What one of those meetings look like where you cut to the chase and the experience of sending a parcel on sendle if you haven't done anyone listening do it because it's fun.

### **James**

Actually it's great one of our sendle things. Turn the concept of sending a parcel from a chore to a joy. That was one of our design parameters hack to change it around. It's still filtering you have to do but if you think about it it's particularly for small business. You're actually generating value for your business which is fantastic. I think the biggest question and the hardest part about all of that is choosing what not to do. Because it's so easy. It's so easy to add things. If only we just had that bit. And if only we did that quickly you end up with you know what they say a camel is a horse created by committee or something. So apologies to camels. You end up with a camel if you're not careful. And so for us the hardest part was to try to work out what not to include.

### **Tim**

OK so let's explore that because that is a great challenge of many whether you're talking about writing copy presenting from stage adding bits and bobs to a product or service. It is really it's really easy isn't it just I will add that we'll put that on. But it just becomes a useless thing. How do you find the courage to kind of keep it so simple?

### **James**

We have a couple of ways. Volume one is I think about the app is like an exclusive party that everyone wants see every feature wants to get in. So how do you really think what's the bouncer for that pattern. And we actually have a decision making process actually in the business. We think of it as as hell yeah we call it which is that there's actually three answers to every question. Most people think there's only two which is like would you like a cup of coffee. You can say yes or no right. We actually think there's a third there's which like a cup of coffee. There's yes there's no there's hell yeah. And for us it's that hell yeah which is basically you have a really strong belief and understanding. It basically engages both your thinking and your emotional your pattern matching decision making processes and so when we try to make really big decisions which is changing major features or adding something we try to get a hell yeah. Is this something that 80 percent of our customers are going to love. And if it's not then we ask ourselves really hard questions. Well is there an easier way to do it. Is there a simpler way to do it that would you get to that hell yeah.

### **Tim**

I love that. I've got actually that at the end of my sponsorship proposal for this podcast where I take them through the story of who listens to it and why they should sponsor it and all those various bits and then the last page says. If it's a hell year then give me a buzz. Hell yeah is a great phrase it's full of emotion and excitement. It's better than a yes.

**James**

Yeah. Look we use it for a lot of things I mean recruitment for me there's not that many one way decisions in a business you think about this there's there's two types of decisions right there there's reversible decisions which is like a car made a mistake I can undo that and I'll just try again. And a lot of decisions you can make of those things right. That's that's the whole purpose of iterations just trying to make reversible decisions learn roll it back if it didn't work. But continue to keep improving. But then you've got these errors. I think of them as largely irreversible decisions they're one way decisions once you've made that decision. You know who's going to be my first employee am I going to take investment from this company. Which market are we going to pursue when you do those. It's very hard to change almost or impossible to change. And so for me reversible decisions make them as quickly as you can you get 80 percent right. That's how you go fast. The irreversible the really big decisions. And that includes launching a feature to customers you don't launch and then take it away. You have to get to hell yeah and take the time. So every single person who's ever joined sendle. We generally had 45 interviews and every single person that's interview them has been hell yeah. We want this person to join the company because just a tepid yes is wrong it's the same as a no as far as I'm concerned.

**Tim**

Yeah I love that. So James what impact do you think or what would brand awareness do you think you have out there in the Australian small business community walk along the street ask 100 people do you know what Sendle is how many are going to say yes?

**James**

We haven't done that research yet. So it's very hard to hazard a guess. We do know however because folk tell us is that we still don't have that general awareness a lot of folks do not realize that there is a virgin to Qantas. There's Optus to the Telstra there is a sendle to the post and I guess why we're still where we were on that journey. It's interesting more than half of our growth comes from word of mouth folks just telling other folks which I think is really lovely and one of the things I do love that small business. Small business talks to small business. That's probably one of our big focus areas for this year is to how do we build the awareness of sendle and just the fact that there is an alternative out there that's levelling the playing field.

**Tim**

So what do some of the marketing initiatives that you take on in order to build that awareness? Because I don't imagine you've got millions of dollars to spend on big TV campaigns and probably nor would you want to in this fragmented day and age but what is sort of the top three ways that you are building awareness besides word of mouth and that word of mouth comes from offering a great experience.

**James**

And I think as part of that one of the other big lessons that we learnt actually from the Giving network to now sendle other than focus was actually choose a few channels. Choose a few marketing channels and it's become really really good at them. So from a marketing

perspective I was that person I was that founder with the giving network I think I was pursuing like seven channels at once we're doing a bit of social and a bit of content and a bit of community bit of viral get PR all that sort of thing. I think we've learnt now just focus. And so for us yet referral and viral is again referral. Word of mouth is great but that's really about having an amazing product. We only started doing some digital less than a year ago actually because the business was growing. But now we're trying to say well and again everything we try to do is customers in mind how do we talk about the fact that there is an alternative or what do customers really want. And then the other big one for us is partnership we have for example if you're an Etsy seller you can get free sendle premium you can earn extra dollar. Not only is it cheaper than post for our standard rate but Etsy sells with an extra dollar. EBay sellers will also get an extra dollar free sendle premium service. You can sort of search it up and as in terms of discount we go to publishers because we believe we have real value to offer those communities.

### **Tim**

One of the things that you do from a customer experience point of view which I find amazing the businesses do this just so hard to find a phone number to call you. And like I know why you do it. But what's the secret to ensuring that doesn't become a deterrent because some people just want to call the call center guy wheres my parcel. You have a great faq section I mean the whole customer experience online does answer what you need to know but how do you get to that point of not putting a number out there?

### **James**

So for us one of the biggest things that nobody really wants to sit on the phone and wait. For me that's the worst experience. And so one of the interesting thing is that we believe and if you have a look one of the things that we've done that we we think is really quite different to everyone is every single thing that we can do with a parcel if that makes sense whether it's redirect or trace or pick up or go where's my parcel launched an investigation we call that our customers can do that themselves without having to talk to anybody. We call that the sendle tool box. If you google sendle tool box you can see every single thing you can do by pressing a button. And we think that's actually the real experience you want. Anyone who's used say an Uber or a lot about the services you can get help straight away. You don't need to even go through that process now of course as part of that then we might end up talking to you. Absolutely. That doesn't mean we don't make a phone call or will send you emails or whatever channel that you would like but we think the best customer experience is you start and you say and of course it happens it's logistics my parcel is late or I can't find it. Generally it was behind a pot plant or something like that. Launch an investigation you can press a button that happens the investigation pursues will then get in contact. If it turns out that something happened you can then claim insurance.

### **Tim**

It's awesome.

### **James**

That's the journey that you want to be on. You don't want to be sitting and waiting on hold on a minute and then trying to fumble around with possible reference numbers and that's the thing.

**Tim**

Yeah James Sendles four years old now. What's the size of the business? Can you give us some numbers staff turnover? What do you have besides being able to fly to Neptune. The amount of parcels that you've delivered.

**James**

Look at where we're in a really competitive space. I think that both our competitors and sometimes our partners would love to know the turnover pieces. But so we don't disclose that. But if we look at it we've actually won the best courier two years in a row now which I think is great for a startup and we can deliver anywhere in the world and we continue on the growth journey.

**Tim**

How many staff you got?

**James**

We're almost at 100.

**Tim**

That's amazing. How does it make you feel four years down the track?

**James**

Daunting. We're getting building a business that is that is meaningful and impacting people's lives. But our customers. Because again we get so much lovely feedback from our customers about how we've helped save them time and money. But it's also when you're helping to start a team and people's careers. It's a big responsibility.

**Tim** Well James Chin-Moody it's a hell yeah for me. Well done. Right on building a great brand and may you continue well into the future and may you even go as far as knocking off one of the big blokes.