

“As chairman of XLN for the past six years, I have been particularly impressed by the highly focused approach to driving XLN’s qualitative growth. The senior team, under the guidance of Christian, is steeped in the culture of continuous improvement, ‘pulling up trees’ in the pursuit of excellence and customer service along this growth path. It is remarkable how XLN has weathered the storms of recent market turbulence and pandemics growing both the top and bottom lines through the dedication of the entire XLN team. I am proud to be associated with them.

Christian Nellesmann is an admirable example of a man consumed by the accomplishment of his strategic goal of the ongoing success of XLN. Through his personal drive and total support for all colleagues, at all levels, in the organisation, XLN has grown in value and quality, as have employees of the company. During this period of impressive growth, he has remained a strong family man, achieving a solid work/family/pastime balance, and as such, one can but admire his approach to life. I count him as a dear friend and associate.”

Frank McKay, Chairman of XLN

“Christian is an exceptional entrepreneur and a great business partner. We were constantly impressed by XLN’s ability to quickly adapt to changing market dynamics and creatively solve challenges. We had an excellent relationship throughout our investment.”

Michael Carruthers, Senior Managing Director, Blackstone Credit

“In my experience, it is very rare for a CEO to start a business from scratch and still be running it when it is the size that XLN is now. Managing and growing a business from start up through the ups and downs of economic cycles and four changes of investor to create XLN as it is today is an impressive accomplishment and we are proud to have been involved in part of the journey.”

Tony Dickin, Partner at Palatine Private Equity LLP

RAW

BUSINESS

RAW

BUSINESS

A STRAIGHT-TALKING ACCOUNT OF
WHAT IT MEANS TO BE A
SUCCESSFUL ENTREPRENEUR

CHRISTIAN NELLEMAN



Harriman
House

HARRIMAN HOUSE LTD

3 Viceroy Court

Bedford Road

Petersfield

Hampshire

GU32 3LJ

GREAT BRITAIN

Tel: +44 (0)1730 233870

Email: enquiries@harriman-house.com

Website: harriman.house

First published in Great Britain in 2021.

Copyright © Christian Nellemann

The right of Christian Nellemann to be identified as the Author has been asserted in accordance with the Copyright, Design and Patents Act 1988.

Paperback ISBN: 978-0-85719-890-7

eBook ISBN: 978-0-85719-891-4

British Library Cataloguing in Publication Data

A CIP catalogue record for this book can be obtained from the British Library.

All rights reserved; no part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the Publisher. This book may not be lent, resold, hired out or otherwise disposed of by way of trade in any form of binding or cover other than that in which it is published without the prior written consent of the Publisher.

Whilst every effort has been made to ensure that information in this book is accurate, no liability can be accepted for any loss incurred in any way whatsoever by any person relying solely on the information contained herein.

No responsibility for loss occasioned to any person or corporate body acting or refraining to act as a result of reading material in this book can be accepted by the Publisher, by the Author, or by the employers of the Author.

 **Harriman
House**

*A smart man learns from his mistakes, but a truly
wise man learns from the mistakes of others.*

Ken Schramm

*To all the amazing people that have helped me
and influenced me along the way. For all your
advice and love I am eternally grateful. Especially
my dad, K. E. K. Nellemann and my wonderful
wife Naima. Without your unwavering support I
couldn't have made it and without you in my life
it wouldn't have made any difference.
A huge thank you to the UK in general for taking
me in and allowing me to flourish.*

When you stop growing you start dying.

William S Burroughs

Contents

Introduction	1
About Me	3
Part One: A Life Of Lessons Learned	5
Chapter 1: Childhood	7
Chapter 2: Starting Out In Business	18
Chapter 3: From Perfume To Office Products	35
Chapter 4: The Birth Of XLN	43
Chapter 5: Growing XLN	45
Chapter 6: How To Get Rich Quick... Again	51
Chapter 7: The Birth Of Brilliant Customer Service	55
Chapter 8: Selling The Business	60
Chapter 9: Growing Pains	67
Chapter 10: Giving Back	75
Part Two: My Core Principles	85
Formula For Success	87
Core Principle 1: Learn Great Work Habits	89
Core Principle 2: Always Be On	106
Core Principle 3: Be Accountable	112
Core Principle 4: Just Make The Bloody Decision	119

Core Principle 5: Forget About Perfect	124
Core Principle 6: Surround Yourself With A-Players	126
Core Principle 7: Be Yourself	135
Part Three: Putting It Into Practice	141
Building A Business	143
Step 1: Nail Down Your Idea	144
Step 2: Understand Your Audience	149
Step 3: Build Great Sales Teams	158
Step 4: Create A Strong Culture	172
Step 5: Be An Effective Leader	178
Step 6: Recruit. Recruit. Recruit.	185
Step 7: Provide Amazing Customer Service	191
Letter To My Son Milo	195
The Deal That Wasn't To Be	203
Biggest Curveball In History	209
What's Next: The Future of XLN	215
Acknowledgements	221

Introduction

MY WIFE, MY son Milo and I were having breakfast on the terrace of the Royal Riviera Hotel in Saint-Jean-Cap-Ferrat towards the end of August in 2019.

My mobile started vibrating and I picked it up. It was Alex Balkin, from Savills, my friend and real-estate broker in the South of France. He was chirpy and explained that the trustees had agreed to accept my offer for the villa of a well-known former head of state.

At 3pm we were sitting in the BA lounge awaiting our boarding call for our flight back to Britain when the phone rang again. Alex soberly explained that we had been gazumped by a real-estate developer who was able to complete quicker and with a higher deposit than us.

Ten minutes later my CEO, Neil Conaghan, called and explained that Equistone Private Equity had changed the goal posts yet again on the buy-out deal we had agreed.

I pulled the sale process. The deal was dead and my plans for the future, including a house in the South of France, were ruined. It was back to the grindstone and the drawing board to figure out what to do next.

But that's life and that's business.

It is said that everyone has a book in them, and I guess this is mine.

This book contains raw and unvarnished advice.

Its pages recount the story of my life and the lessons I've learnt along the way, as well as all the brilliant advice I've been fortunate enough to receive over the last half century.

It's a book on beating the odds, staying afloat where so many sink and growing where so many shrink. Based on my own real-life experiences – which span more than 30 years of running anything from home-based, to small and now multi-million-pound businesses – it's my tried and trusted model for achieving success.

Through the highs and lows, the good times and the bad, I have learnt what it takes to run a successful company and will share with you my formula for setting up, growing and managing both companies and people.

In the first part, I will recount my life story, from my childhood all the way through to starting XLN, and the life lessons I learnt along the way. Part two will outline the core principles I use to run my life and business – the principles that have been fundamental to my success. And finally, part three will pull these life lessons and core principles together, to show you how to start a successful business or grow your existing business into something far greater.

Very little in this book is original content; the mistakes are mine and the successes are largely due to all the great people I have worked with. The sage advice comes from people smarter and more successful than me.

It is my sincere hope that someone reading the following pages will take away a nugget or two of advice that will help them on their journey in business and life.

About Me

MY NAME IS Christian and I am what people call a ‘serial entrepreneur’. I suppose that means I didn’t really succeed the first time...

Selling products and starting businesses is like an addiction for me. I’ve been fascinated by the idea of business ever since I was a child and in the past 35 years have sold everything from wine, confectionery and perfumes to office products, telecoms and business utilities.

I’m proud to be a two-time winner of Ernst & Young’s Entrepreneur of the Year award, to be one of only 14 people from the UK to be inducted into the Entrepreneur of the Year Global Hall of Fame, and to have been voted National CEO of the Year by the BVCA (British Venture Capital and Private Equity Association).

I’m passionate about small businesses and start-ups, and helping to build thriving, independent high streets across the UK.

With XLN, I have somehow managed to create a hugely successful business with over 110,000 customers and more than 450 staff. XLN makes £21m of EBITDA (profit before interest, tax, depreciation and amortisation) and is worth around £250m.

For an immigrant Danish boy who arrived in London at the age of 22 with little but an absolute determination to work hard and succeed, that feels pretty unreal. To be honest, this level of success was never in my wildest dreams – and I had big dreams.

I am not perfect by any means. I can be hot-headed and impatient, I find it hard to switch off, and I definitely shout too much when I’m excited about something.

But I am doing something that I love and somehow this incredible business has emerged as a result. XLN not only helps small businesses save money on essentials such as fibre broadband, Wi-Fi, credit-card

processing and energy, it also champions and supports them every step of the way, so that they too can thrive and grow.

I thought it might be interesting to explain how I did it. I also wanted to help others by sharing the advice I was given and all the things I have learned the hard way that I wish I had known all those years ago.

PART
ONE



A Life Of
Lessons Learned

Chapter 1

Childhood

I HAVE HAD VERY mixed feelings about writing and publishing this book. In fact, I've been sitting on the final draft for the best part of a year and a half. On the one hand, I felt that passing on the lessons I've learnt and the scars I've accumulated throughout a 30-year career would potentially benefit someone. But on the other hand, I was self-consciously fearful that people would find it pretentious or would find the content dreadful.

Yet I am almost always asked what the fundamentals of running a successful business are? Can my success be replicated? What are the magic ingredients of success? What's the hidden formula? The secret sauce?

As a result, I've spent a fair amount of time thinking and talking about this, and I realised that my views are often different and, strangely enough, counterintuitive. A fair amount of advice you will have heard before, so I wanted to share my own unique experience of the business world too, in the hope that I can point hungry, ambitious entrepreneurs in the right direction.

If I can inspire just one entrepreneur to become successful or help someone avoid the ever-looming pitfalls that I fell victim to, then this foray into authorship will have been worthwhile.

There are a couple of reasons for writing this book. First, looking back over a career of building multi-million-pound businesses, I realised that my story was interesting because it gives a real insight into one of the most vital yet overlooked aspects of any successful business: how to build a fantastic sales team. Managing a sales operation well is fundamental to the success of any business, no matter what area it

operates in, and yet many entrepreneurs have no idea how to create a sales team that really delivers.

Building an effective sales team is not difficult, but it does take hard work. Surprisingly, it is often left as an afterthought, something that is built on a foundation of little more than hope – hope that it's somehow going to just happen, that a team will just come together, and everything will fall into place. And that's where the problems start.

I have spent the last 30 years nurturing and training good salespeople, in order to create brilliant sales teams and hence successful companies. I wanted to share the knowledge I have learnt so that others can benefit from the very expensive 'school fees' I've had to pay along the way.

Another reason for putting pen to paper is that I would like to discuss the important role that culture plays within business. I am hoping that new employees of XLN will have a better understanding of why we do things the way we do and why XLN is such a different place to work.

Finally, I have two very young sons who have little to no interest in what Daddy does at work at the moment. If nothing else, I wanted there to be some sound fatherly advice to help them navigate life in case I'm not here when they need it.

This is primarily a business book, but rather than jump straight to my tips and advice without any perspective, I will start by telling the story of my journey as an entrepreneur right back from childhood. I think it's important to put things in context and provide a backdrop illustrating where my ideas were born, my advice was fashioned, and my core principles were developed.

I realise that everything I have learned in my life has emerged from influences I was exposed to while growing up and in particular, the wisdom and understanding that I gained from my father. I have

been very fortunate to have had great mentors all throughout my life and career, and I owe it to all these people to pass their wisdom on. We are, after all, the sum of our friends, family, and past experiences.

Right back at the beginning

My story begins in Denmark, in a small town called Kolding, not far from the German border. Kolding has a population of 60,000 people and is about the seventh largest town in Denmark, which is not saying much. Several industrial companies are based there but it is perhaps most noteworthy for its thirteenth-century castle, which is now home to the municipal museum of modern art, called the Koldinghus Museum.

It was the kind of place where even if you were successful, you didn't flaunt your wealth. Rich farmers and business people would drive old, inconspicuous cars so they didn't stand out, and their expensive watches would be hidden up their sleeve. Most had their feet firmly planted in the fertile soil – it reminds me most of the Yorkshire mentality.

My arrival into the world came as something of a surprise because my mother had been told that she could not have children. My birth also caused a bit of drama. I was born yellow, and the doctors thought I had serious, life-threatening levels of jaundice. I was immediately baptised and rushed in an ambulance, during a snowstorm, to another larger city's hospital, where I was in an incubator for a while. But I made it and came home.

Right from the start I was an adventurous child. I was always full of energy and was just 'go go go' all the time. I would be up at 5am and wouldn't stop moving until I went to bed. I was always up to all sorts of tricks. The first word I could say was 'hoover', and from an early age I would get the hoover out and start cleaning. And then I would get all the pots and pans out of the kitchen cupboards, much to my mother's annoyance.

At the age of three, I would unscrew light sockets. And as I grew older, I would run wild with my younger brother Peter and our friends. We were fearless, always making dens and swinging in trees over the road when cars were driving by. I must have been a bit of a nightmare for my parents. It got to the point where, if my mum was going over to see a friend, her friends would say, “you don’t have to bring Christian”.

My father owned a department store in town called Lumbye Inspiration and a timber business called Lumbye Industry. This afforded my family a comfortable lifestyle with a big house right on the fjord where we could swim and sail boats. My parents were very close friends with about six other families who lived close by and we spent a lot of time together. Every Friday and Saturday evening our house would be full of people drinking cocktails and eating little cocktail sausages – all the rage in the mid- to late-seventies – while the children ran around and played. The six families had holiday homes in the same place too, on an island called Fanoë, where we would all decamp during the summer months of June and July.

My father’s business was very much part of our lives and as my younger brother Peter and I grew up, we would rarely see him at home because he was always working. He never came to events, such as our school sports day, so at the weekends, holidays and after school, I would go into the department store or the timber yard and hang around with my dad while he worked.

He could sometimes be strict though and we were quite frightened of him. Whenever I asked him whether I could come into work with him he would say yes, but if I wasn’t ready on time, he would drive off without me. I remember very clearly to this day one morning where we had eaten breakfast together and I had asked to come with him to work. My dad would always leave the breakfast table, visit the bathroom and then leave. I mistimed his bathroom break and as I walked outside to the garage to get into the car with him, I saw his

car already far down the road. That taught me an incredibly valuable lesson: be on time!

My dad taught me how to grow up fast. There's no doubt that he built my character with his focus on punctuality, commitment and drive. He always drummed into me that if you are going to do something, then you do it well and do it well the first time round.

Motivation

From a very early age I knew that I wanted to be a businessman too, like my father, and his father before him. Either that or a gangster, as I apparently told my somewhat concerned mum at the tender age of six. One thing was clear; I wanted to be successful, and I wanted to be rich.

I wanted to have all the nice things in life, like cars, boats and houses, and I wanted a lot of wonderful experiences, such as travel and great food, all of which required a huge amount of money.

I also understood very early on that money buys freedom. My dad always told me that when you make your own money, you can make your own decisions. So I was always thinking about how I could start making some money of my own.

My grandmother, whom I absolutely adored, lived in a large apartment above my father's department store, so I would often go and visit her when I went into work with him. She had a large key that could open all the doors in the business, so I would sometimes take it and wander around the building after it had closed for customers. I particularly loved rummaging around in the inventory room where there were all kinds of interesting things.

When I was about seven years old, I found some eggs made out of plaster in the inventory room. Farmers would buy them to put into chicken nests because the presence of an egg encourages the chicken to lay more. I bought some of these eggs with my pocket money

and decided to dip them in yellow and purple gloss paint with a sprinkling of gold and silver glitter on top. I attached a little gold or silver thread to each one and sold them to neighbours at Easter. I ended up making and selling dozens of them.

Even at that age, I was already showing an entrepreneurial spirit and putting some of my dad's wisdom into practice. Even though I, at the time, resented the repetitive nature of my dad's advice, I'm forever grateful to him for that.

LIFE LESSON

You have to build it yourself, because no-one else is going to build it for you. No-one else is going to make you successful.

I learnt the hard way that it is always better to pay for the things I want.

My dad's department store also sold sports equipment, and up in the attic there were boxes of all sorts of stuff, including fishing tackle. I never really went fishing, but these fishing tackles looked really nice – a bit like jewellery, because they were made from shiny brass and brightly coloured enamel. I was fascinated by them. I used to take a couple of them every now and then, one from each box, so that no-one would notice they were missing. But one day I went too far; I went with my friends to another store in the town, one of my dad's smaller competitors, and stole some fishing tackle from there too.

The following night I was having dinner with my parents and brother when my dad suddenly looked at me. He told me to go up to my bedroom and bring down the white plastic bag that was at the top of my cupboard, behind my clothes.

It was the plastic bag with the fishing tackle in. I have no idea how he had found out about it, but I had to go and get the bag and admit that I had stolen the fishing tackle. The next day, the two of

us drove into his workplace and then we walked hand in hand from his office down to the store of his competitor. The owner came out of a room at the back and said, “Mr Nellemann, what are you are doing here? What a surprise.” My dad told him that sadly he had come with some really bad news and that his son had something he would like to say.

I was so embarrassed, both on my own and on my father’s behalf. He would have been absolutely furious about any kind of stealing, but the fact that I had stolen from one of his competitors was just terrible. That he stood there mortified and took the shame with me made such an impression on me that I have never so much as stolen a lollipop ever since.

That said, I did continue to get into trouble. One winter when I was about ten, my father got a call from a neighbour while he was at work. My brother, a friend and I had been spotted jumping from ice slab to ice slab on the fjord by our house – it was almost frozen over, but not quite – and we were about half a mile out to sea.

My dad dropped everything and rushed down to his car. It must have been the most terrifying journey of his life. Fortunately, by the time he reached the edge of the fjord we had already come in. He smacked my brother and me hard on the bottom and we were sent to our rooms. It was the only time he ever smacked us. And it was the only time we ever went out onto the ice slabs. We had learnt our lesson.

Big events have real impact, a notion I have carried through into my business career. You must learn and move on.

School days

I went to the local school until I was 11, but during the summer holidays my family visited some friends. One of their sons, Christian, was at boarding school and the other, Ditlev, was about to join him. It sounded really exciting, so I asked my parents if I could go too. In those days, it was extremely unusual to send children to boarding

school in Denmark, and it still is now. But I saw it as an opportunity to spread my wings. I had never really liked the confined space of a small town where everybody knows you. For me, it just meant that if I did something wrong, my father would be told and he would be disappointed. I didn't particularly like being well known because of my dad's businesses either. I liked the idea of anonymity.

My mother was really upset at the idea of me going away and cried for days, but my father could see how much I wanted to go. He agreed to send me to boarding school on the condition that I stay there for at least one year. He told me that I couldn't just decide that I wanted to leave after three months if I didn't like it.

I agreed, and so a few months later my parents drove me to Herlufsholm School, a highly-respected school for boys about 50 miles south-west of Copenhagen.

Joining the school was a big shock, however. The school was originally founded in 1565 to educate the nobility, and many high-ranking families still sent their sons there. I found myself in the same class as the sons of earls and barons, rich kids from Copenhagen and famous people's kids. I was used to being the leader of my little group of friends back at home but now I found that I was pretty much at the bottom of the pecking order.

To make matters worse, I was a slightly chubby kid because I had broken my leg that summer and couldn't play football or any other sports. It didn't help that I had started in school a year early and some of the boys in my class had stayed back a year, so I was younger than almost everyone else. I was also one of the shortest boys in the year and remained so until I was about 14 years old. When you are a child, that kind of thing makes an enormous difference.

All of this caused problems for me; I didn't like feeling inferior and fought against it. I couldn't accept my place in the new pecking order and initially it was really difficult.

Even though it had been my choice to come, I was really homesick and for the first few months I cried myself to sleep most nights. I would call home in tears. But at the end of the first year, I decided to stay and tough it out. I didn't want to be someone who quit.

As time went by, I did make some friends, but I was never one of the popular crowd and was in fact really unpopular at times. I developed some very effective defence mechanisms to protect myself and could be pretty sharp tongued if someone put me down.

Fortunately, I only ever got into one fight.

The school had a rather odd tradition – if you wanted to fight with somebody you would challenge them to a fist fight and then the news would spread amongst the boys during dinner. There was a river running through the school grounds and nearby there was a little island with a moat around it, which probably hadn't been cleaned for 200 years.

There was a small wooden bridge across to the island and when there was a fight taking place all the boys would stand around this island and watch. The two opponents would walk across to the island and fight until one of them gave up. The winner would then walk back over the bridge and the loser would have to jump over the moat. I only ever witnessed one boy manage that feat. The rest would sink up to their neck in the foul-smelling silt.

Luckily, I won.

LIFE LESSON

You have to face up to changes, challenges and challengers.

Making money

As time went on, I began to find ways of making money by being a bit entrepreneurial. Lessons finished at 2pm every afternoon and we had free time until study time at 4:15pm. During my first year there, when I was 11, I got a job in an antiquarian bookseller in the local town. I would mind the shop for a couple of hours two afternoons a week while the owner took a break. I was paid the equivalent of £1 an hour, which substantially topped up the £1.50 pocket money I received each week.

One day, I found a case of porn magazines under one of the shelves and asked the owner of the shop if I could borrow them. I brought them back to school and rented them out to my classmates for the equivalent of 2.5p for half an hour at a time. It was a bit like pay-per-view TV. We would sit and look at the magazines in one of the common rooms. I got caught, of course. My housemaster dragged me out of bed one evening and pulled me down the stairs by my hair and then slapped me around. I got pretty beaten up, but it was worth it.

Then, a couple of years later – when I was 14 – I hit upon another money-making idea. The only way of getting sweets at school was to either buy them from a shop in the town or from the petrol station, a 20-minute walk away. I came up with a better plan.

One of my dad's friends, Arnd Lentz, was on the board of Rowntree, the confectionery firm, in Denmark. They made Lion Bars, English wine gums and Super Flyers, a kind of liquorice sweet that we loved. There was a telephone in one of the common rooms, so I called Rowntree and got through to their sales department. I managed to get them to open an account for me – obviously with a bit of help from my dad's friend.

Every few weeks I would call them up and place an order for a couple of cases of Super Flyers, wine gums and Lion Bars and get them delivered to me at school. Then I would hide the sweets in the

cupboard in my study and sell them to my classmates. It was great business. Unfortunately, the headmaster's wife found out I was selling sweets to all my classmates. She was a dentist and didn't think it was a good idea, and so my highly successful business got shut down.

As I grew older, I calmed down a bit and eventually became friends with one of the most popular boys in the school, Henrik. We are still best mates to this day. That settled some of my inferiority complex. But such insecurities never really go away; I still have a bit of an inferiority complex now, despite my success, and that goes right back to being at that school.

However, these experiences also taught me to never give up. I never quit something that I have started, regardless of how tough the going may be. Whenever I get knocked back, I just get back up and carry on. It's an important trait to have. To succeed you must be persistent, tough, passionate and relentless.

As my old boss in America used to say, "winners never quit and quitters never win". So true.

LIFE LESSON

Attitude is everything. Never quit. Never ever give up. Learn to be resilient and relentless.

Chapter 2

Starting Out In Business

With your hands or your head?

WHEN I LEFT boarding school at the age of 18, many of my friends went interrailing around Europe. I wanted to go with them, but my dad refused, saying that I'd basically already had one long holiday by being at boarding school.

And when my dad said no, it was no. That was the end of it.

Instead, he arranged for me to spend a year learning English at a language school in Cambridge. And because the course didn't start until September, he found me a job working in a warehouse in the north of Denmark over the summer.

Every day, 17-tonne articulated trucks would arrive from Poland stacked with cases of porcelain cups, saucers and plates. I had to unload them all onto palettes, shrink-wrap each palette and then take them away on a trolley. It was laborious, tiring, and mind-numbingly boring. I had to get up at 5:30am each morning to start work at 7am and we would finish at 4pm. After working for three months, my dad said, "now you know what it is like working with your hands so you can now decide whether you want to work with your head or your hands in life". I thought, actually, I want to work with my head.

After a year in Cambridge, I had hoped to join the two-year officers training programme for the Queens Guard regiment, the bearskin guards who protect the Queen of Denmark. I applied along with several of my classmates. Boys from my school would typically go

into either the Queens Guard or the Hussars, which were the two most prestigious regiments in Denmark, and I wanted to as well.

Disappointingly, I was told that there was a two-year waiting list and I was too impatient to wait that long. Patience is not my strong point. I wanted to start making money. So I went back to Denmark and took a Bachelor of Science degree in economics and business analysis at the University of Southern Denmark, which was in my hometown. I went back to live at home, but my parents were mostly away travelling so I was on my own most of the time.

Like my friends, I would often kill time between lessons by sailing on the fjord. And although it is beautiful out there, I quickly realised that I needed something else to occupy my spare time.

I decided to try and make a bit of money selling wine by mail order. One of my dad's friends had a business which imported wine from Portugal, so I got in touch and arranged to buy cases of wine from him at a wholesale rate and sell it on. I liked wine, having always been surrounded by it at home. The wine he was selling was cheap – at the equivalent of just £2 a bottle – so I thought I would be able to sell some. At that time, mail order was very popular, so I bought some books on the subject and a mailing list of potential customers, and started creating enticing mail-order letters to send out; lots of highlighting, lots of red and blue pen.

It was a straightforward operation to run – whenever I got an order, I would arrange for the wine to be sent out directly from the warehouse where my dad's friend stored the wine. That meant I didn't have to buy or store any stock myself. The business wasn't very successful though because I didn't get enough orders, and the profit margins were too small to make it worthwhile.

LIFE LESSON

When you fail, you learn. It doesn't matter if you invest your efforts in something that doesn't work out, as long as you learn from it and move on. I call it school fees. People that stand still never fail, never learn, and never win. Don't be afraid of failure.

After that, I tried selling men's shirts by mail order, also imported from Portugal, but that wasn't a great success either. Again, because I didn't get enough orders. The mail-order business wasn't as easy as it looked.

However, both of these ventures did teach me some valuable lessons about business. The key to success is to control the distribution channel for your product or service, and to control the relationship with the customer. I didn't need to own the wine or the warehouse, because I could find people who already did that, and holding stock can be an expensive nightmare. But if you are in charge of product distribution and the relationship with the customer, then you are king.

I had made a plan for when I finished my BSc at university. I wanted to do an MBA at Harvard Business School and go on to learn barter trading in Austria for a year. Then I wanted to go to Taiwan to build relationships with businesses there, before beginning to trade with China. I would have had to wait for that last goal though, as in those days China hadn't opened up to the outside world. With a bit of luck, I would probably have been really successful by now if I had done that. In hindsight, that wasn't a bad plan at all. But life is easy in hindsight.

The sweet smell of early success

But life intervened, as it so often does, and another opportunity presented itself. In 1988, in the summer holiday between my second and third year of university, another of my dad's friends sent us some bottles of perfume. They were copies of famous perfumes – Opium, Obsession, Giorgio, Poison, Oscar de la Renta, etc. – made in the same factories in Grasse, in the south of France, as the original versions.

My dad's friend, who was the general consul for Denmark in Hawaii, had noticed them because his son was involved with the company selling them; he thought they might be something that my dad would be interested in. In reality, I think he was looking for a commission and after I started in Mile End, his son came knocking.

The perfumes all smelled the same as the original fragrances, but they were called another name and came in different colour-coded packaging. They were entirely legitimate too, because there is nothing illegal about copying a smell. I was fascinated by them, and I was particularly fascinated by the fact that the owner of the business had made \$100m selling these perfumes door to door.

So my dad flew down to meet the American owner, Larry Hahn, while he was holidaying in Monaco and managed to acquire the rights to import and sell the perfumes in most of Europe. Unfortunately, this did not include the UK. Then, in December 1988, I flew over to San Francisco with my dad to see the sales operation there and learn more about the whole set-up. I was supposed to spend six months writing two dissertations for my degree, but I wrote them really quickly so I could go out to San Francisco for two months instead.

When I arrived in the big US of A it was pretty daunting to be honest. I was a young boy from a very small town and America was just so big – San Francisco was amazing though. It was actually quite European, and I instantly felt at home. I wasn't homesick either, years at boarding school had long since cured that affliction.

I arrived on Saturday. The following day, Sunday, Kerry Brunson, the regional-sales office owner I had been assigned to train with, took me and his entire sales office to Golden Gate Park, where we played American football, had a barbeque, drank beer and had lots of fun together.

In those days, and in the many years to follow, I always mixed business with pleasure and I still believe that having a fun time outside of the office together with your team is a good thing to do. Sadly, nowadays that is pretty much a no-no, as fraternising with employees comes with an increasing dose of danger. I find that very sad and certainly not in the best interest of the business or the employees. I strongly believe that a business is made better by employees seeing a more human side of the boss outside of work.

However, always bear in mind that even if you are relaxing and hanging out with employees, you are still at work. You will find that staff will ask you all sorts of questions in the mistaken belief that because you are not in the office, you are going to tell them a different story to what you'd otherwise say. You should never do that. For some reason, people think that just because you are having a beer together in a pub or at some company jolly, that you are now going to tell them the real truth. Always be on your guard but use these occasions to get closer to your team.

On Monday, we were back in the office at 7am. Every day started the same way, with a managers meeting from 7:30 to 8am. Then all the sales guys would arrive and get 'settled up', which meant they would get their perfumes for the day ahead and pay for any sales taken overnight or during the weekend. We always worked Saturdays and some guys that needed to hit their weekly target worked on Sundays too. The American work ethic hit me like a steam train.

Once the administrative side of the business had been taken care of, we all assembled for a morning meeting. This started with a roll call of evening or weekend production, and then a tally of total sales per person for the week just passed. These numbers would be written up on a whiteboard at the front of the meeting room.

We would then have a ‘pitch class’, where a manager would act as a prospective customer and a selection of sales guys would take it in turns to pitch to them in front of the entire office. That could be a bit daunting for a new recruit, but it did help toughen you up and I learned that constant repetition was key to teaching salespeople good work habits. By repeating good sales practices every morning for 15 minutes, each pitch being 3–4 minutes, eventually these habits would sink in and take over when you were in the field. I have continued to advocate pitch classes ever since. It really does work, even though it might seem a bit childish.

After the meeting I was paired up with my two trainers for the day. We travelled in their car to a little town called Walnut Creek, which lay across the Oakland Bay Bridge in an area that is now very gentrified – many from Silicon Valley choose to live there. Back then, it was a real dump.

For the morning stint I worked with Eldon Schwartz, who used to be a TV presenter for a local station, and he was an amazing salesman. We worked a local strip of small businesses and walked into hairdressers and small shops. Eldon, who was in his fifties, had a great pitch which I later copied. He would walk through the door to, for example, a hair salon full of women and say: “Hi, I’m the male stripper you ordered”. Then he would stay silent and wait for the penny to drop.

This inevitably resulted in a laugh – the ice would be broken and Eldon would have their undivided attention. He would then launch into his pitch that he had some great perfumes that smelled the same as popular fragrances – we called them renditions rather than knock-offs – and cost a quarter of the real thing. Eldon sold 34 bottles that morning. I was flabbergasted. It looked easy and was so much fun.

For the afternoon session I was paired up with a young guy called Mike Tessier, who’d later go on to open the first sales office in Australia. He sold 22 bottles that Monday afternoon. In the space

of a day, I saw them sell 56 bottles of perfume combined. I was sold and convinced that this job would be a doddle. How wrong I was.

My first week I sold a total of three bottles – the last two of which, made on the Friday, were more of a sympathy sale than anything else. I was hopeless at selling. My second week, I sold 21 bottles. On my third week, I participated in a road trip. This was when four salespeople got in a car loaded up with merchandise and travelled to an area that was seldom hit. I sold a total of 31 bottles that week.

The idea that travelling to a new territory will make sales easier is, of course, partially a myth. But for a salesperson, the key is that you are away from all the distractions of home. You can focus more and, importantly, you can work longer hours. Road trips were a big part of training new agents back in those days. It was thought to be a great way of getting a new recruit properly engaged and ‘brainwashed’.

Once back from the road trip, I had another feeble week of 24 sales. Not good at all, considering a decent sales guy would sell around 40–50 bottles a week; a good one, 60–70; and the truly great could sell 100 in a day but would breeze easily into the 100-club each week.

But I learned a lot of valuable lessons about discipline, work habits, attitude and enthusiasm. This whole new concept of attitude and enthusiasm was fascinating to me. And God did I get a baptism of fire in hard work and solid work habits. I had never seen anything like it before and I felt that I worked like a dog. Could one really work any harder? I thought not.

A life-changing moment

On the back of four weeks of pretty mediocre sales performance, I unexpectedly received a phone call from Kerry Brunson’s boss, Billy Reynolds. Billy had started the sales organisation I now belonged to. Back in the 70s, it was called The Dazzlers and encompassed 200 sales offices across the US.

Kerry's organisation was called The Sunshine Dazzlers and one day my organisation would be known as The Glooden Boogen Dazzlers, because Kerry always joked that when I spoke Danish on the phone with my parents it sounded like glooden boogen jigen jagen. I digress. Kerry found me working in the sales meeting room and told me there was a call for me from the vice president, who was calling from the head office in Atlanta, Georgia.

I was pretty excited about speaking to the legend Billy Reynolds, but that excitement soon evaporated and was replaced by utter doom and gloom. In not so many words, Billy said something along the lines of, "Christian, I've followed your early sales progress and it is pure bull****. Clearly you are a weak piece of crap so why don't you go back to Denmark because you are never going to amount to anything".

In those days, we had a weekly newsletter that recorded individual and office sales-production standings across the entire US organisation of 15,000 salespeople. In my state of shock and utter shame, I exclaimed, "Mr Reynold, I'm not a useless piece of crap and I'll prove it to you. Next week, I'm going to do a 100-club". A 100-club was the highest sales achievement an agent could attain, and mythical stories abound of agents hitting the fabled 100 sales within a week. Of course, I had very little chance of hitting this lofty target and certainly not after a week selling just 24 bottles – my best week so far had been 31 sales. But the gauntlet had been thrown, so I set about figuring out how I was going to make the impossible happen.

Numbers and economics had always been my thing, so I started to figure out how I could possibly hit 100 sales in one week. I started with my current best sales performance of 5–6 sales per day, or 31 for a five-day week. Five sales per day had been achieved by me working from around 11am to 5pm, with the time from 9am and after 5pm spent travelling to and from my territory.

I figured that if I started working at 9am and worked until midnight, I could increase my working hours by a factor of 2.5, which should

yield around 15 sales. If I then worked all seven days of the week, Monday through to Sunday night, I could theoretically hit 100 sales. In order to build in some slack – in case I had a bad day – I decided that I had to plan to hit the 100 sales by Saturday night, meaning I needed 17 sales per day. A monumental task but theoretically possible based on longer hours and more days, as well as increased focus, intensity and enthusiasm.

I worked all the hours – often until way past midnight – and by Sunday night, at 1:30am, I hit 104 sales. Notice that I didn't just stop at 100 but kept working until I literally couldn't stand upright any longer.

The following morning I asked Kerry if I could borrow the office phone and have Billy Reynolds' number in Atlanta. I called the head office and was eventually put through to Billy who took my call. "Mr Reynolds", I said triumphantly, "this is Christian Nellemann and I did my 100-club last week, so **** you" and hung up.

This might have been one of the most important lessons of my early career. This experience taught me what hard work really is all about. Most importantly, I taught myself that when you really put your mind and your backside to something, it is unbelievable what you can achieve.

I quadrupled my sales performance from one week to the next simply on the back of increased focus, planning and determination, as well as working bloody hard and insanely long hours. This lesson formed my early career and has stayed with me ever since. I have no doubt that it has been a major contributor to my success in life.

LIFE LESSON

Get out of bed early and get mentally prepared for the day ahead. You must develop a positive mindset and then work incredibly hard in an organised and disciplined manner on your daily goal.

The Glooden Boogen Dazzlers

The idea had been that I was going to set up a company and a sales operation for our new perfume venture in Hamburg, Germany, so I translated all the training and operational material into German. Fortunately, I already spoke German because as a child I had grown up watching German television. When I was young, there was only one Danish television station, which started broadcasting at 6pm each evening, but because we lived close to the German border, we were also able to watch the three German channels which broadcast throughout the day. I was pretty proficient in German by the time I was 12 years old.

My dad and I registered trademarks for the business and found offices in Hamburg, as well as shippers and lawyers. But then, about two weeks before I finished studying and planned to move to Hamburg, the American owner of the business began to pull the 'fear of loss' card and told my dad that he needed to place an order immediately for 10,000 bottles of perfume in order to keep the rights to the countries we had agreed on.

My dad refused, saying that we needed to sort out several issues before we could commit to buying such a large amount of stock. But the owner was insistent, saying that we had to buy the stock because he had other people queueing up to take the sales rights for Germany. So my dad walked away from the deal. Obviously there were no other interested parties, but it was a classic American hustle. Unfortunately, my dad doesn't respond well to that kind of salesmanship and he told the American where to go.

My dad called me into his office one evening to tell me what had transpired and that our perfume venture was not going ahead. But this was my bright exciting future; it was a week before I graduated from business school and I was all set to move to Hamburg and start the business. My dad was adamant that he didn't want to do business with a *schuft* (spiv) like Larry Hahn, but I was likewise

determined not to give up on my American Perfume Dream. So he agreed to give me a £100,000 advance on my inheritance and told me that I could go ahead without him, but that I was on my own. That gave me a real burning desire to succeed and filled me with equal measures of fear and excitement.

I called the owner in America and asked him what my options were. He told me that I could have the exclusive rights to sell the perfumes in Canada instead, starting in Toronto, and as I expanded I could eventually gain the exclusive rights to all of Canada. I said that was fine with me, as long as I could come to America again and learn from his best sales leaders first – I wanted as much time as I deemed necessary. He agreed.

Hence, a week after I graduated, I moved to San Francisco. I spent months travelling around the country to meet his top sales leaders and selling perfume on commission only. I knew that I had to experience the proper training programme but I also sensed that learning everything I could from his very best sales leaders would stand me in good stead down the road. So, after having spent three months training, I started visiting all the top sales offices and organisations across the country.

Then, one day, while back in San Francisco, Larry invited me out to lunch at a very snazzy Italian restaurant and told me that I could have the exclusive rights to the UK after all, if I would like them. I said I would love to set up in the UK, as it was so much closer to home than Canada. Within two weeks, I had packed up all my stuff, said goodbye to all my newfound American friends, and moved to London.

Last train to London

I stayed in a motel in Kings Cross while I looked for offices and eventually found one that I could just about afford in Mile End in the East End of London. I sorted out lawyers, shippers and accountants, and figured out where I would advertise to recruit salespeople.

I had happened upon Mile End while travelling on the Central Line, which I'd been told was the more reliable Tube line. Office space towards the West End was very expensive in those days and it was only once in Mile End that I found anything even remotely within my budget. Across the street from the Mile End tube station was a road called Aberavon Road and I was told by the local estate agent that a pair of property developers, John Baker and Nick Barrington Peace, had an office to let. So I knocked on their door and was shown the building next door, which was in the middle of being renovated. We agreed a deal for me to rent the building. I then went back to Denmark to get all my things ready for my permanent move to the UK. That was in late 1989; I was 22 years old.

The office I thought I had done a deal to rent included accommodation above it, but when I turned up to move in, the property wasn't ready. Understandably, John Baker had assumed that I would never turn up again. I didn't want to spend any more money on motels, so for the first three nights I slept on the carpet in the reception area of my new landlord's office with only a towel over me.

When the property was finally ready to move into, I started making a few changes. I turned the dingy room on the lower ground floor into a sales meeting room and kitted it out with some whiteboards; the adjoining bathroom became the merchandise room and the reception room at the front upstairs was turned into an interview room where I could recruit new salespeople. There was a little conservatory at the back, which was my office, and on the first floor there was a bedroom for Sharon, a sales manager from San Francisco, who I had recruited to help me start up and run the business. The attic was my bedroom.

We started selling the perfumes in exactly the same way as I had been trained to sell them in San Francisco, by taking them door to door into businesses and selling them to the employees.

Sharon Kelley was a huge support and help in starting the business; without her help, I'm sure I wouldn't have succeeded. Sharon stayed

with me for four years until her visa finally ran out and she sadly returned to the States. I often wonder what has become of her and hope she has become as successful and happy as she rightly deserved to be.

I had agreed with the American owner that I would buy the perfumes from him at a wholesale rate but that I would decide everything else about how the business was run, including how much to sell the perfumes for. This meant I was buying the bottles at \$3.50 each and selling them for £15, and later for £20 when the VAT rate went up from 17.5% to 20%. I basically wanted to be in exactly the same position as the American owner.

I called the business Scentura Creations Ltd., the same name as the business in the US, and started to build a sales team. I recruited people who were prepared to come in and work hard and learn how to sell. It was commission only and a very tough gig.

Once my salespeople had learnt how to sell, I would teach them how to train somebody else to do the same thing. When they were able to train somebody else, I would teach them how to manage a team of salespeople. And when they could do that, I would open a new sales office for them. I would pay for the furniture and give them money to start up, and they would then start recruiting people and training them exactly how I had shown them. If they worked hard, they could make a lot of money and have their own business.

I soon developed my own method of teaching people how to sell. It wasn't a particularly English approach to selling, but it wasn't a very Danish approach either. Instead, it was more of an American way of doing things, combined with a philosophy of continuous incremental improvement which meant that I was constantly looking for ways in which we could do better.

The business began to do really well. At £20 for 100ml of eau de parfum, our perfumes cost a fraction of the price of the real perfumes, which could sell for up to £80 for 100ml, and yet most people could not tell the difference.

On the box

We even managed to get the perfumes on the ITV breakfast show *This Morning*, with Richard Madeley and Judy Finnigan. One of my office owners, Jonathan Fitchew, later of Pareto Law fame, went onto the show with several of our perfumes and Richard and Judy sprayed a different one on the hand of four models. Then they sprayed the real versions of the perfumes on the models' other hand. Then they smelt each of them in turn to see if they could work out which was the real perfume and which was our fake version. Each time they thought that our perfumes were the real thing – and they even preferred three of our perfumes to the genuine versions. It became a lot easier to sell our perfumes after that because suddenly everyone wanted them.

Even though I was effectively starting a business in a foreign country, I never found it a problem being Danish because I think that the Danes and the Brits have more in common than what sets us apart, particularly our sense of humour. If anything, the biggest barrier was my age. When I started recruiting people, I was only 22 years old and I looked younger. I literally looked like a young boy. But I approached it in the way that I approach all these things and made the barrier into a strength. I would say, look at me, I am 22 years old, I have never had a job, and yet I am the boss here and I'm doing really well, so it has got to be a pretty good system. Basically, if I can do it, you can do it.

As sales continued to grow, I opened up offices all over the UK until I had a team of 200 salespeople, all working on commission only. Then I opened offices in Denmark, Germany, Austria, Holland, Italy and Greece. The international offices were owned by other people and I just supplied them with perfume on a wholesale basis.

I was making a lot of money. Just four years after the business started, when I was 25, I was able to buy a large first-floor flat in Eaton Place, one of the most prestigious addresses in London.

I even briefly thought about retiring, but after a week of doing nothing, I was so bored that I couldn't wait to get back to work and keep growing the business.

Everything slips

One New Year's Eve, my dad told me that I had made more money that year than all his businesses combined. He also told me that he was proud of me for the first time in my life.

And in that single moment, I lost all my motivation.

I virtually stopped working and I didn't pay enough attention to the business, because the driving force had always been to gain my dad's approval and recognition. Now I had received that recognition, my driving force had completely vanished. I stopped putting in the effort that the business needed and so it pretty much disintegrated. Over the following few years, the sales network shrank from 200 people to 12 people.

Meanwhile, I was partying hard. I was young and had earned a lot of money and I wanted to enjoy myself. I started taking the party drug ecstasy and when I got scared that it might be dangerous, I switched to taking cocaine because for some reason I thought it might be safer. Insane, I know. I also drank a lot of vodka. I would go out on a Saturday night with my brother and some friends, or with select people from work, and we would cram a huge amount into that one night. It was getting to the point where I began to realise that it might end badly.

Fortunately, I do perform well when I have my back against the wall. When I turned 30 in 1997, I realised that I was about to lose what little I had left and that I needed to make some big changes. So I stopped drinking, I stopped taking drugs, I stopped partying and I started exercising and eating properly. I pulled myself together, got into recovery and got serious.

I also decided that I didn't want to have any more handouts from my family and that I needed to stand on my own two feet. At the time, my mum and dad would often pay for things in my life because I had thrown most of my money away, but their generosity would sometimes come with strings attached. They would come around to my flat and offer to pay for some new curtains, for example, but then my mum would turn up with the fabrics she had chosen. I realised that constantly being funded like that could make for a very unhappy life and that I needed to forge my own path. I know they meant well though and only wanted to help their boy.

I started focusing on the business again and over the next two years I gradually built it back up, on the way developing an even better sales programme than before.

LIFE LESSON

Motivation is everything. If you need to understand one thing, it's the honest answer to the question: "What gets me out of bed every morning?" If you are not moving forwards, you will inevitably start to slip backwards. Don't ever take your eye off the ball.

During this time, the factors underlying the business had also started to change. Office space was becoming even more expensive and currency and shipping costs for the perfumes were rising, so the overheads of opening new sales offices had crept up. Yet we couldn't put the price of the perfume up because people would have stopped buying it. So there was no longer the potential of making large amounts of money that there used to be.

I was still promoting the business and telling new recruits to trust me, saying that if they did what I told them to do, they would be successful – provided they were willing to work really hard. The problem was that towards the end of the 90s, that wasn't true. You couldn't really make money running one of our sales offices like

you used to be able to. I was still making great money myself, but I was peddling something that I didn't believe in anymore. Many other people would perhaps have carried on, but I realised that I was not prepared to sell 'the dream' if I knew full well that the end goal wasn't as rosy as I was claiming. So I shut the business down. I wanted to do the right thing by my team.

I ended up having a few thousand bottles of perfume left over, worth about £20,000, so I gave them to a friend in America, who was in the same business and in financial trouble, to help him out. Again, it felt like the right thing to do and frankly I had no use for the perfumes anymore.

LIFE LESSON

A business is only as trustworthy as the person behind it and the values it is built on. Be true to yourself and the people that rely on you. Don't do anything that will make it hard for you to look at yourself honestly in the mirror every morning.

In business, you have to be able to stand up and justify what you are doing and why. If you can't, then you should stop doing it. You are accountable for others and you have to do the right thing by them and by yourself.

It was a hard decision to contemplate but once I had made the decision to shut the perfume business down, I felt a huge weight lifted. And as they say, "when one door closes another opens". I'm not a quitter and this wasn't about giving up, but sometimes you naturally come to the end of the road. Everything has its time, as my dad would often say, and I had reached the end of this particular one. On to the next thing.