

Getting started

Despite disliking school so much, Dick did just manage to get his Leaving Certificate (the equivalent of year 11). He left school without good qualifications and with no real ambitions. He knew that he was good at fixing radios. In fact he had earned money as a teenager by fixing radios for people in his neighbourhood.

He still had a vague notion that he might like to be a park ranger, but a friend of the family pointed out that he would probably not enjoy being a part of a large bureaucracy. He would have to follow someone else's orders and would probably not be able to do things the way he thought they should be done. This might suit some people but it would not suit Dick Smith. However he is certain that if he had become a park ranger, he would have risen quickly to the position of superintendent of a

national park. He is not boasting when he says this but simply expressing his belief that he would have approached the job with passion, commitment and enthusiasm. He knows that many people consider him to have enormous amounts of energy and drive and he acknowledges that this is true. 'I find many people completely lacking in discipline. They want things that they'd like to get, but are not prepared to work hard for them. At about 22 or 23 I realised that if I wanted to do what I wanted to do, I'd have to be disciplined.'

False starts

When Dick Smith left school, he decided that he needed to gain some qualifications in the area of electronics. But his poor academic performance was to continue. He failed the admission test for a traineeship at the Department of Civil Aviation. He enrolled at university, but

attended only two lectures before he dropped out. He went to a technical college but left after a year. He was apprenticed to Weston Electronics, a company that made two-way radios for the Royal Flying Doctor Service, but as he failed the course part of the apprenticeship, he was unable to continue. It began to look as though he would never find his feet. He even began to doubt himself, to feel that he was indeed a failure.

He decided that he would become a park ranger after all. It certainly seemed a better option than doing nothing. As fate would have it however, at the time he made this decision, the National Parks service changed its entrance requirements. It was decided that all park rangers would have to have university qualifications. Dick found that another door had slammed shut.

Dick had saved some money and he decided that he would get away from Australia for a while. He needed to remove himself from an environment in which he felt a failure. He climbed mountains in Switzerland and spent some time in England. His tour refreshed him and rebuilt his confidence in himself. When he returned to Australia he was

ready to start again. And his luck was about to change.

Marriage and a new career

Dick Smith met Pip and they fell in love and married. He went back to Weston Electronics to try to get another position. Weston Electronics had a contract to service the Manly Taxi Radios in Sydney, but they told Dick that they were not going to renew their contract. Seeing a business opportunity, Dick decided that he would take over this service himself.

Setting up a business costs money. Dick had \$600 saved, and his fiancée Pip had only \$10 in savings. At the time she was doing a secretarial course. They both believed in the venture though, and in August 1968 they opened their business. They rented a cheap shop at a failed shopping centre called The Big Bear in the Sydney suburb of Neutral Bay. They couldn't afford advertising. All they had was a sign stuck on their old car.



A modest start

'I started with \$600. A little later, Pip was working for another company for \$22. I couldn't afford her.'



Dick Smith

Dick and Pip Smith at their wedding, in March 1969.

It said 'Dick Smith Car Radios at The Big Bear'.

Because they had no money to pay for advertising, Dick drove his car to different spots around the city and left it parked. He would then hitchhike back to the office. Sometimes he parked it in places which gave him good exposure, but which brought him to the attention of the police. 'I once put it in the rather exclusive Roseville Golf Club carpark. Well, did the manager go crazy!'

The business quickly became an enormous success. Pip finished her secretarial course and

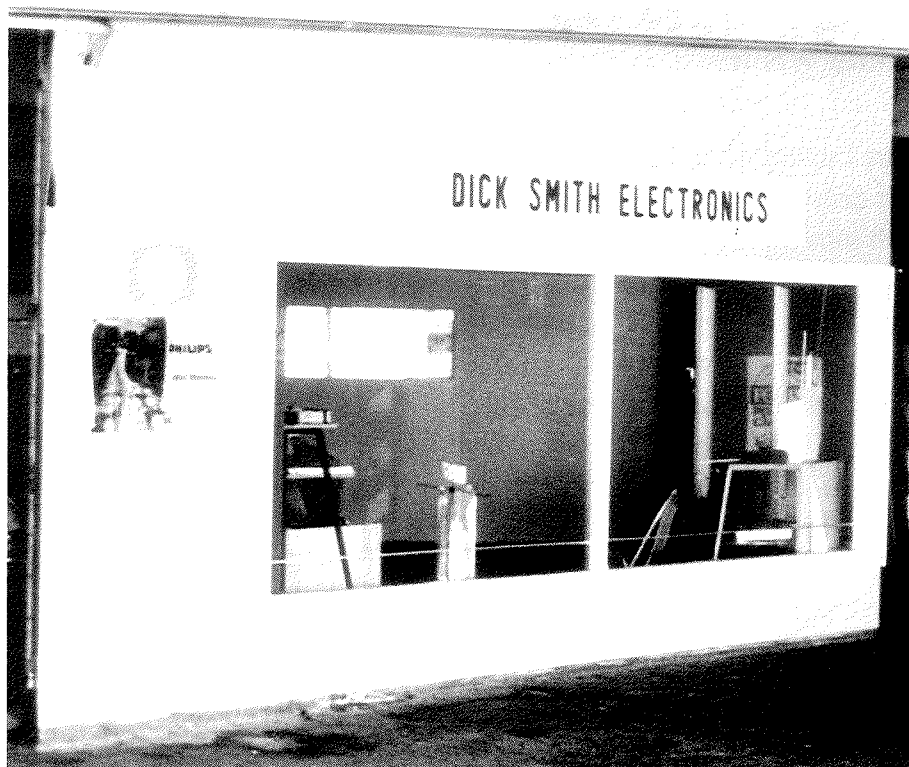
worked as hard as Dick to ensure the business was a success. Dick's friend, John Webster, worked with him and before long they had more work than they could handle. In the first year of operation 'Dick Smith Car Radios' made more money than the Prime Minister of Australia.

Recipe for business

Dick Smith's explanation for his rapid success is that he was incredibly enthusiastic and that enthusiasm is contagious – it makes those around him very enthusiastic too. His company was also good at delivering its

promises. Customers came back because the business was efficient and reliable. A business that fixed two-way radios and sold car radios could only succeed if the service it offered was better than its competitors. Dick's approach to his business made sure that this was the case. It boomed as a result. Dick Smith was on his way and he achieved this without borrowing from banks. The banks had refused to lend him the money because they weren't confident

that the business would be a success and were worried that their money would not be repaid. In order to expand the business he borrowed \$6000 from friends, and insisted on paying them full interest as well as repaying the principal amount he borrowed. Dick is proud of the fact that he has never borrowed from banks, other than when he bought his first house. 'I now have no borrowings at all. I have no mortgage. I have never bought any shares.'



The first business premises of Dick Smith Electronics, at The Big Bear, Neutral Bay, Sydney.