

The gourmet guru

Entrepreneur David Harris (BEc '71) has turned his passion for quality fruit and vegetables into a booming business empire

IT MAY COME as a surprise to those who know David Harris as the founder of Harris Farm Markets that the fresh food business was in fact a second-choice career. All through high school and his Bachelor of Economics degree at the University of Sydney, he believed that his destiny would be to take over the successful chicken processing company run by his father. He used to work at the factory over his holidays, driving trucks or handling sales, and he knew the business inside out.

But just when he had reached the end of his degree ("I took something from every part of the course and enjoyed it all," he says), his father suddenly made the decision to sell his business to a large multinational, leaving David without a future. "I said to my old man: what have you done? That's my career down the gurgler!" he recalls. "Then I asked him what he thought I should do."

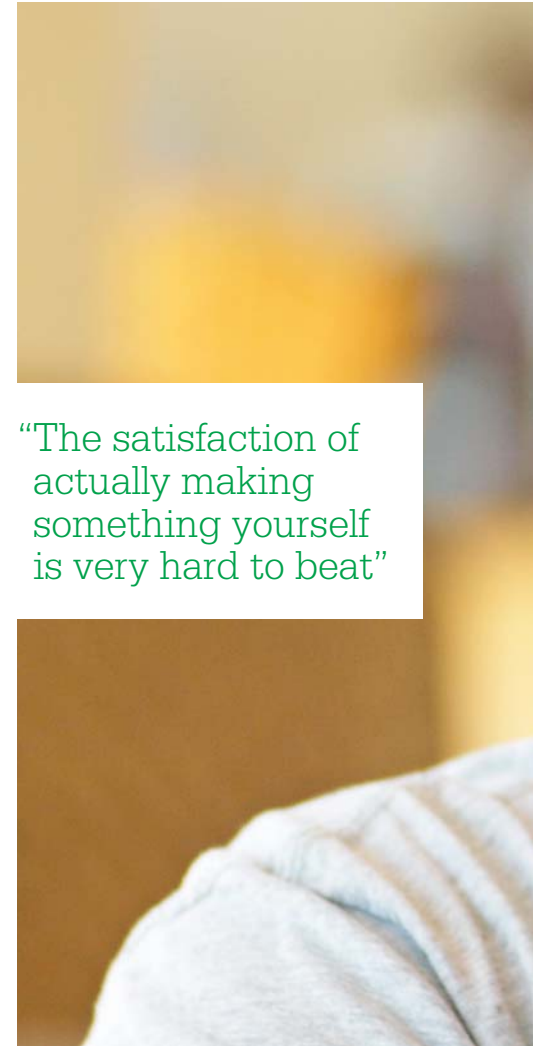
David's father urged him to start a business of his own, advising him to focus on an industry where large companies did not excel and to look for a firm he could acquire with limited capital. Using those criteria, David decided to enter the fruit and vegetable business; his wife Catherine rejected his alternative idea of opening a funeral parlour. In 1971, he bought a greengrocer business in the suburb of Villawood.

In the early years of running the firm, life was tough, he remembers: a working day could begin as early as half-past one in the morning and finish as late as seven o'clock at night. But David enjoyed the challenge of strategically growing the business. In the mid-1970s, his shop became one of the first greengrocers in the country to introduce a self-service model, with checkout

operators and trolleys, which significantly boosted profits.

After several years, David began to realise that his business, which was based on offering only the highest quality fresh produce, had the potential to succeed on a wider scale: "People everywhere want to buy good fruit, and I thought, if it works like this in Villawood, we will make a killing on the North Shore." He opened his second store at Pennant Hills, and after that was a success, he continued to expand the firm until he owned six stores by the early 1980s. Meanwhile, he continued to diversify the range of gourmet items sold through his stores, pioneering the sale of many products that have since become commonplace, such as Evian mineral water and balsamic vinegar.

As it grew, the business also became more complex, and David began to



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realise he needed a much better understanding of where his profits were coming from. He invested around \$2 million in an IBM mainframe computer that was linked to his cash registers, enabling him to make good business decisions about buying, waste and display space: "That is what enabled us to grow so dramatically in 1985 and 1986, when we thought we would go into Queensland."

However, the business hit a pothole and the planned expansion did not happen. To free up funds, David sold half his firm to a public company, which promptly went broke. He bought back his shares by mortgaging his family assets, but, with the economy heading towards recession and interest rates at 21 per cent, he could not afford the repayments and went into receivership. "The whole experience was terrible, but it wasn't a complete negative," he

says. "My kids became very sensible and practical because of it and realised there aren't any free rides in life."

By 1991, David was in a position to be able to start trying to buy his business back shop by shop with the assistance of partners and for the past 12 years all new stores have been 100% family owned. Today, the company employs 1000 staff in 20 locations around NSW and is on a firm footing to expand even further. David's vision is to make Harris Farm Markets into a \$1 billion business.

Yet despite its size, the firm remains a family business at heart: David is Managing Director, Catherine Harris is chairperson and their sons Luke, Angus and Tristan fill the firm's key management roles. The family believes strongly in supporting the communities that their business operates in. As well as contributing to charities such as the

Matthew Talbot Hostel, the firm is a member of the Job Support Network, which finds work for young adults with intellectual disabilities, and employs young offenders through the Early Release program.

Looking back, David says that the journey of building his single shop into an award-winning chain with an annual turnover of \$300 million has been immensely fulfilling. He hopes that today's young economics graduates will also consider taking up the entrepreneurship challenge.

"Many young people see financial markets as the only possible way to make money," he says. "But with so many taking that path, the opportunity for someone with brains to go out and start a business has probably never been better. The satisfaction of actually making something yourself is very hard to beat."