

HOW ONE WOMAN CHANGES
MILLIONS OF LIVES

JENNY CRAIG

The Jenny Craig Story

How One Woman Changes Millions of Lives

Jenny Craig



John Wiley & Sons, Inc.

Copyright © 2004 by Jenny Craig. All rights reserved.

Published by John Wiley & Sons, Inc., Hoboken, New Jersey. Published simultaneously in Canada.

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, scanning, or otherwise, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the Publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, 978-750-8400, fax 978-646-8600, or on the web at www.copyright.com. Requests to the Publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, 201-748-6011, fax 201-748-6008.

Limit of Liability/Disclaimer of Warranty: While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives or written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Neither the publisher nor author shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

For general information on our other products and services, or technical support, please contact our Customer Care Department within the United States at 800-762-2974, outside the United States at 317-572-3993 or fax 317-572-4002.

Wiley also publishes its books in a variety of electronic formats. Some content that appears in print may not be available in electronic books.

For more information about Wiley products, visit our web site at www.wiley.com.

Library of Congress Cataloging-in-Publication Data:

Craig, Jenny.

The Jenny Craig story: how one woman changes millions of lives / Jenny Craig.

p. cm.

Published simultaneously in the U.S. and Canada.

Includes index.

ISBN 0-471-47864-4 (cloth)

1. Craig, Jenny. 2. Businesswomen—United States—Biography.

3. Weight loss. 4. Reducing diets. 5. Jenny Craig, Inc. 1. Title.

RM222.2.C7173 2004

338.7'616132'50973-dc22

2003021822

The Jenny Craig Story

To my children, whose love has been a pillar of support throughout my life as a parent. They continue to make me proud of them and of the wonderful parents they have become.

To my grandchildren, for not only have they brought immeasurable joy into my life, they represent a generation who are still young enough to design and shape a life that has meaning, community involvement, and personal fulfillment. My hope is that they will lead the way.

Acknowledgments

I would like to thank Patti Larchet for her help in searching through the company archives to retrieve photos and dates in order to accurately describe life in the Jenny Craig organization. I would also like to thank: Lisa Talamini, for her help in providing information on current changes within the company, Virginia Hood, my assistant for searching through my personal collection of thousands of photographs in order to find the right ones to include in this book; Jim Mallen (our former CFO), for helping me recall certain facts that happened long ago; and Marvin Sears (our attorney), for helping to provide with accuracy whatever ramifications there were resulting from legal action. Thanks to Debra Englander (my editor) for first giving me the confidence to continue writing this book and for believing that what I had to say would give inspiration to others. Most of all, I want to give thanks to the many clients whose successes have left vivid images that remind me daily of what my work has accomplished over these past 45 years. Your letters have been a constant source of joy and pride. Last, but certainly not least, I'd like to thank Sid for his support and love as a partner in business as well as in life. I thank you all for being such an influential part of my life.

Jenny Craig

Contents

Introduction		1
1	Early Years "I learned very early that work was not a dirty four-letter word."	5
2	First Foray into Entrepreneurship "You can do anything and be anything you want."	22
3	Researching New Franchise Opportunities "I was open to anything that was available."	44
4	Negotiating a Buyout "I'd rather be in jail than be bere."	70
5	The Beginning of Jenny Craig, Inc. "A company that would incorporate all the necessary benefits of successful weight management."	85

CONTENTS

6	Starting Over: Back in the United States "We were both only 52—and ready for a new challenge."	117
7	Health Troubles and Legal Problems "Surely there's something or someone out there that has the answer."	135
8	The Challenge of Succession Planning	161
	"I have always believed we should have a woman in charge of all field operations."	
9	Moving On and Looking Ahead	176
	"I devoted most of my adult life to helping people make positive changes."	
Final	Thoughts	197
	"I can't wait for tomorrow."	
Index		205
maex		200

Introduction

his book began as a journal for my children and grandchildren, who have been asking me for years to write my life story so they'll have something to share with their own children and grandchildren. I didn't think my life was all that remarkable: I'm just appreciative of the happiness and success I've achieved. But a few years ago, when I had stepped down from the day-to-day running of Jenny Craig, Inc., I decided to appease my family since I finally had some spare time. I started jotting down random thoughts about my childhood, marriages, and career. Then friends and former colleagues started asking me what I was doing now that I was no longer president and chief operating officer (COO) of our \$350 million company. When I told them I had put pen to paper, they encouraged me to tell the whole story of how Jenny Craig, Inc., came to be, more than 20 years ago.

I had already written four books, Cutting Through the Fat, No Diet Required, Simple Pleasures, and What Have You Got to Lose? Even though these books were successful (my first book was a Wall Street Journal and USA Today best-seller within a few weeks of its release, and it sold more than 400,000 copies), they were very different from this book. Those were cookbooks that I wrote to help our clients with their weight-management goals and to offer even more variety than the 70 plus food products that Jenny Craig, Inc., provides.

This time, I wanted to write something inspirational, because at Jenny Craig, Inc., all of our home-office staff, field employees, and franchisees share a common vision: to help change clients' lives as we support them along their weight-loss journeys. We literally have living proof of the efficacy of the program and the power of a positive attitude. Tens of thousands of satisfied clients have achieved their weight-loss goals and improved their lives because of a healthier approach to nutrition and exercise, a more balanced lifestyle, increased self-confidence, and higher self-esteem. Self-image affects every facet of our lives, our careers, our family relationships, our interactions with others, and our basic values and beliefs.

I truly believe "it's never too late"—for anything one wants to do, whether it is to lose weight, create a healthy lifestyle, find true love, or start a business. There are many people in the world who face some kind of physical challenge (whether it is obesity or something else), and there are many people who have had business dreams and thought maybe they were too old or didn't know enough to start a business. But *I'm* living proof that it can be done. I started Jenny Craig, Inc., with my second husband, Sid Craig, when I was 50 years old. Moreover, we started the company in Australia—a place we had never been before we opened our first weight-loss centers there!

The company we founded is now one of the largest weight-management service companies in the world, with more than 660 company-owned and franchised locations in the United States, Canada, Australia, New Zealand, Puerto Rico, and Guam. In 1988, *Inc.* magazine listed us as the sixth-fastest-growing privately held company in the United States (we went public in 1992 and private again in 2002). Our company is a household name, we're one of the most recognized names in weight management, and we're one of the strongest retail brands in the United States and abroad.

During my early years, as well as in my many years in business, I have always faced obstacles with the attitude that with enough determination, commitment, and perseverance, anything is possi-

INTRODUCTION

ble. Within these pages, I have tried to give the reader a vivid picture of what life was like growing up after the Great Depression. I have shared some of the personal experiences as well as the challenges I have faced both in business and in my personal life, including a physical disability that changed the course of my life.

Over the years, clients and staff members have asked me numerous questions about how I started in the weight-management business, how the company developed, how we handled particular business challenges, and why the Jenny Craig program is so successful. I've tried to answer all of those questions as well as give a detailed account of the experiences Sid and I have shared while working together for 20 years as partners in business and in life. They have also asked why we chose to start the Jenny Craig company in Australia after having other weight-loss companies in America for 24 years. In addition to answering that question, I wanted to give a glimpse of Australia and its people, so that each reader can learn what a wonderful country it is and how Sid and I enjoyed two of the best years of our life together while living there.

There were many changes that took place both within the company and in the industry. Some of them had serious ramifications. Other changes were just part of developing and growing a business. Perhaps some of these same things happened in your business or in your life. When couples work together and put their heart and soul into a business, it's sometimes difficult to determine where business ends and family life begins.

I also hope that, throughout this book, there will be words that act to inspire you to be all that you can be and to erase "I can't do that" from your mental vocabulary.

I have enjoyed writing this book because it stimulated my memory of journeys that have evolved into a wonderful life. When people ask me if I have any regrets, I think to myself, "My only regret is that I don't have 70 more years to enjoy the unimaginable wonders of the future."

When I first agreed to go public with this book, I thought, "As an avid reader, what would I want to read about that would have meaning to me?" I have tried to include things that I think will interest you.

One of the things I hope to accomplish by examining behavior within our organization is to point out internal pitfalls that can make or break any company. I have learned that it's not what you know, it's what you do with what you know that makes the difference. Many people spend half a lifetime poring over books looking for answers, and once they find them, they do nothing with the information. Within these pages, I talk about specific incidents where key people received daily production figures, looked at them, dismissed them, and filed them away with no plan of action to improve them. Production figures are nothing more than symbols on a page. They are meant to supply information that requires action.

Many years ago, I was told that without a college degree I would always be an employee. Thank God they were wrong. While I truly believe in education for the sake of enriching one's life, if a formal education guaranteed success in business, then every Ph.D. would be a successful entrepreneur. Education does not have to take place in a classroom setting alone. There is a lot to be said for the school of hard knocks. Each of us has the opportunity to educate ourselves every day. When given a choice between a formally educated person and one with experience and street smarts, I'll choose the latter anytime.

So, if a little Cajun girl with no college degree can build a company that has more than 600 locations worldwide, with revenues of more than \$350 million annually, just imagine what you can accomplish!

1

Early Years

"I learned very early that work was not a dirty four-letter word."

Marie Guidroz to Gertrude Acosta and James Yoric Guidroz on August 7, 1932, in Berwick, Louisiana, a little town about 100 miles south of New Orleans. I am the youngest of six children—two boys, Edwin James ("Bobby") and Leonard Louis (nicknamed "Red" because of the color of his hair), and four girls: Verna Louise, Elsie Rita, Gertrude Marie ("Trudy"), and me. We were all born approximately two years apart, with Verna being the firstborn, followed by Bobby, Elsie, Red, Trudy, and me, in that order.

I grew up in New Orleans. It was not the best of times economically for our country, because we were still suffering from the Great Depression. For our family, necessities were scarce and luxuries were not an option, to say the least. That condition was not due to a lack of ambition or hard work on my father's part, but instead was a result of the times. There were periods when Daddy held three jobs at once in order to keep the wolf away from the door. He worked as a carpenter, a bartender, a riverboat pilot, and a laborer unloading cargo boats on the riverfront. I remember one of his bosses coming

for dinner at our home. I sat there listening as he told my mother, "I wish I had 20 more workers like Mose—he does the work of three men." Daddy was always known as Captain Mose; no one called him by his given name, including my mother. He could navigate the narrowest waterways and dock a boat as easily as we park our cars. Perhaps that explains how he earned the moniker "Captain Mose."

Daddy often reminded us later in life of those hard times. He'd say, "People often refer to the 'good ole days' when one could buy a pound of beans for a nickel and a telephone call cost a nickel . . . but what they fail to remember is that no one had the nickel!" I guess that was the bad news of my early days, but it was also partly the good news in my development and work ethic. I learned very early that work was not a dirty four-letter word. Work not only provided people subsistence, but also gave them a sense of pride and accomplishment.

I find it interesting that by today's standards we would have been considered to be poor. Yet, I don't ever recall feeling poor or disadvantaged. There was nothing else to compare our lifestyle to; everyone we knew was in the same boat.

The phrase "keeping up with the Joneses" was introduced after World War II when most people were trying to build a new life for themselves. Displaying bigger and better material possessions was a way of telling your neighbors, "Look at me, I'm successful." In the early days of my youth, the "Joneses" were no better off than the Smiths or the Johnsons, not in my neighborhood anyway.

New Orleans has always been a city that is steeped in tradition. Celebrating Mardi Gras is one of those traditions that people practiced from early childhood. It was my favorite holiday, because we got to enjoy it for a whole week. As children, we would walk to Canal Street to watch each evening parade and catch beads and doubloons that were thrown from the colorful floats by costumed and masked revelers. Our house was about five miles from Canal Street, but walking with a large group of friends was so much fun that it seemed much shorter. I can remember each of us watching

EARLY YEARS

the parades and yelling, "Throw me something, mister," never really knowing if the costumed and masked person on the float was male or female. It is the common cry of all parade watchers hoping to take home a cache of treasures as proof of their success.

Another custom of the Mardi Gras season was the "king cake" party. Starting in early January, each month someone in our circle of friends would invite us to a party and serve a cake that had a tiny doll hidden inside. The person who unexpectedly got the doll had to give the next party. The cakes are shaped like a racetrack oval, with multicolored icing on top; some are made with cream cheese and/or fruit fillings that are quite delicious. Many of the local bakeries produce these cakes as they are part of a much-practiced celebration and are in great demand. The tradition of king cake parties would continue throughout each month until Mardi Gras day. Although I enjoyed the parties and I loved eating the cakes, with each bite, I can remember praying that I wouldn't get the doll so I wouldn't have to give the next party, because I knew my family could ill afford the extra cost.

Even though it was not the best of times, I still have many fond memories of the years we spent there. It was a real neighborhood. We all knew each other and were there to offer support when needed.

And in spite of the hard work my father had to endure, I never heard him once complain or present a "poor me" attitude. It was our custom to always have dinner together as a family every day. When Daddy came home from work, he would wash up, then kiss each one of us; then we would sit down at the table and talk about the happenings of the day. He was always interested in what we learned in school. I think one of the reasons he was so determined for us to get good educations was that he never had much of a formal education. In spite of the fact that his mother had taught school and was an avid student of Shakespeare (thus explaining his middle name *Yoric*), he never got to benefit from her formal education.

When his father was killed in World War I, he and his older brother had to leave school to support the family. I believe Daddy was in eighth grade at the time. I don't believe his mother spent much time continuing his education. What he learned, he learned on his own.

I find it sad that Daddy didn't have the benefit of a formal education, because he was very intelligent and he would have been a bright student. He could do math in his head quicker than anyone I've known. We would give him three or four figures to add, subtract, or multiply, and in an instant he'd give us the answer. He also proved to be an astute businessman later in life. At one time or another he owned restaurants, bars, and shrimp boats, and he leased crew boats to the oil companies. He was also an accomplished boat captain.

While we sat at the table recounting our experiences of the day, my mother was busy warming the food she had cooked earlier. She was always sure to have dinner ready when he got home, partly because sometimes dinner was between Daddy's jobs and he had little time to eat, and partly because my father was a taskmaster. He demanded certain things of his household. Having dinner ready when be was ready was one of them. Many times I heard my mother say to him, "You're working so hard I worry about you," and his standard reply was, "Hard work never killed anybody," a phrase that is ingrained in my subconscious. I grew up believing that if you didn't work hard, you would die young (a concept with some credibility).

I grew up believing that if you didn't work hard, you would die young.

I have always been grateful for the early lessons I learned about the value of work. I attribute any success I have achieved to my willingness to do whatever it takes to get the job done. I don't be-

FARIY YEARS

lieve I'm smarter or more talented than most people, but I can work as hard and as long as the best of them.

I attribute any success I have achieved to my willingness to do whatever it takes to get the job done.

I believe that most people today work only for the material benefits and miss or ignore the true enjoyment of doing something that is productive and that builds character. Image and ego seem to be the driving forces behind many achievers today. I don't mean to generalize but only to point out the difference in attitudes that develop as a result of the times, the opportunities available, and the rewards they offer. So in many ways my attitude toward work was developed at a very young age. My husband Sid has often said to me, "You were bred to work." Perhaps he's right.

I don't believe I'm smarter or more talented than most people, but I can work as hard and as long as the best of them.

Among many values I learned while growing up is the value of honesty. My dad hated a liar. If someone he knew lied, he'd say, "That guy would rather climb a tree to tell a lie than stand on the ground and tell the truth," meaning, of course, that the man went out of his way to lie. As children and as adults, we could never lie to my father. Knowing how he felt and looking into his eyes, we could tell that truth was our only option.