

[John Adams:]

I was 12 years old and playing golf with three of my buddies at the St. Charles municipal golf course in Missouri. I stepped up to the #3 tee box and let fly with a marvelous, well it looked something like this --- [*John portrays a golf swing / sound of a window breaking.*]

I turned to see that I now had no friends – but four sets of golf clubs. When no one came out of the house in the next few minutes, I determined that no one was home, left the course and headed home early.

A few hours later, I was at home confessing the incident to my Mother. While I expected a suitable punishment, I got something much worse – one simple question – “John, what’s the right thing to do?” Since then I’ve learned just how difficult this question can be!

After this incident, I noticed that more of my teenage problems were addressed with questions; not solutions. Over time, these questions helped me understand my Mom’s philosophy towards life, which I summarize as “Do the right thing, the right way, for the right reasons!”

This morning, I want to talk about these values and how they shape our relationships within the Big O family.

Do the right thing

Do the right thing.

In business what is the right thing? In my opinion it is making the customer satisfaction the #1 priority in our stores and in our support operations.

In our retail stores I know that this is happening today since I receive stacks of letters describing examples of what you are doing. Listen to a few comments -

[Go to letters.]

[*Scott will need window breaking sound at the end of this series of letters.*]

When we upset a customer they tell, on average, 11 people. When we wow a customer, perhaps they'll spread the word to 2 or 3 of their friends. There is nothing right about this, but that's life. But occasionally a customer walks in the door who will share their experience with thousands.

[Go to article from **Four Corners Business Journal in Durango, Colorado.**]

The author is Dr. Raymond Bass, a business consultant. Before I read excerpts from the article, let me set stage – Dr. Bass had a flat tire and dropped the tire only off at the Big O store to have it repaired. Let's pick up the article when Dr. Bass is picking up his repaired tire.

I am proud of these compliments and the many stories that we receive about you. You should be proud as well. But what really excites me is what the future holds –stories yet to be created, experiences that you will make happen! Experiences that tell me we are an organization dedicated to doing the right thing!

Do it in the right way

Do the right thing ... *the right way*. What is the right way?

For the technical things, we know the right way. It is written down in service manuals and we just need to follow them ... alignment specs, tire pressures, and service procedures for brake jobs. We absolutely need to do the technical things “the right way.” But that's the easy half of the equation. The other half is the customer side of the business. It's harder to define what we mean by “right way” on the customer side, but for our company, the “right way” is the Big O way.

The Big O way is spelled out in many training tools - Blue Two, BEST tapes, TIPS training, and now at bigouniversity.com. There are many aspects of our business to consider. This morning I want to focus on just one small, but powerful, tool – the telephone. JD Powers research tells us that 40% of customers looking for tires make their first contact through the telephone. So if the phone is ringing, your advertising is working. We must perfect our phone skills so that we get the customer to visit the store. Let's listen to a couple of real phone conversations.

[Play 2 taped conversations first one is the 'bad' one and then follow-up with the good one]

Which of these two phone calls is happening in your store?

The phone is just one of many processes happening in your store every day. The list sometimes seems endless. With all of this activity and the pressure to make sales, it can be overwhelming. The solution is more training - training that allows your team to meet these challenges every day.

Every year I stand before you and talk about training. The reason is we can't expect people to do things "the right way" if they don't know what "the right way" is. That is why we have increased our commitment to training through bigouniversity.com and with the addition of 2 training positions.

Last year I set a goal of 10,000 student days of training. I'm disappointed to report that we only reached 5,729 student days of training. Now 10,000 student days sounds like a big number. Or is it? With over 550 stores, nearly 600 stores, it is barely a day and one-half for each of our employees. We have a competitor headquartered in Arizona who is spending \$10M/store on training and they only do tires. If the cornerstone of our brand message is earning the reputation as THE EXPERT, we have to make an investment in our future and fulfill this commitment.

Earlier I mentioned that the Big O way is spelled out in our training materials. Listening to the phone tapes and looking at many aspects of our business, the limited training that we are doing isn't getting the Big O way into our stores fast enough.

Your Dealer Planning Board recognized this last September when they unanimously voted for the establishment of store standards and challenged me and your management team to help stores attain these standards.

By now you should have heard the details behind these standards committees at your monthly owners meetings or on the all dealer conference call held on February 6th.

I've heard a few people comment that these standards are a negative thing. I don't understand these comments - what's the negative side of following a proven system? When you're trying to reach a specific destination, do you consider it a negative to rely on a detailed map? I don't think so. The Big O program is your roadmap to profitability.

Our power as an organization comes from all of us working together. In business for yourself, but not by yourself!

Most of you have seen the Clydesdale draft horses pulling the Budweiser wagon. You have to be impressed by the beauty and strength of these horses. Imagine what would happen if each of the horses was allowed to pull the wagon in any direction it wanted. Obviously the wagon wouldn't get very far, and it might actually get pulled apart. Individually strong; as a team, very powerful.

The same holds true for us. The strength of each individual store, added together, makes Big O a powerful organization. We are our strongest when we all do things the same way – the right way – the Big O way!

For the right reasons

Do the right thing, the right way, *for the right reasons*.

What's your reason to follow the Big O program? What's your reason to be in this room? Why throw your lot in with the 500 other Big O owners?

At some point I'm sure that you thought it presented a good opportunity to own and operate your own business.

But there are other tire stores you could have joined, or worked in another industry entirely. But you chose Big O. I am glad that you did. But in making this choice you must have felt there was something different about Big O – something that set us apart. Perhaps it is because we are like family ... because we look out for one another.

The Marines have had fewer casualties, and have lost fewer members, than any other branch of service? A big reason for that is their commitment to each other and to the Corps. Marines never leave one of their own behind. That's an incredible commitment. Going into battle, imagine the responsibility that you must feel realizing that every other person is relying on you, but also the comfort knowing that you can rely on every other person in your unit.

Now we are not in life or death situation, but it is about survival. We must share the same kind of commitment that allows us to forge ahead as one unit. Dealers helping dealers. Knowing that you can count on other Big O dealers to help you, and other dealers knowing that they can count on you.

Look around the room. Really – look around the room. These people are surely your business partners as much as if they signed their names on your franchise agreement. Everything each owner, manager, salesperson and tech does in their store builds, or erodes, our reputation, our brand. Which of these happens in your store?

A strong brand has an immediate payoff because it pulls more people into your store. It has a greater payoff when you sell your store. For those who have bought and sold stores, what's the most valuable asset in a successful store? It's not inventory; it's not equipment, it's not something that you can touch. No matter what you call this – goodwill, blue sky - this intangible asset is your brand. The stronger the Big O reputation, the more desirable your store is, and the more value it represents when it's time to cash out.

Our brand is built every day by every dealer at every Big O store. You should get upset when you hear that a customer was let down, like that earlier letter. That customer isn't likely to visit another Big O store again ... including yours. And what about the 11 people who that dissatisfied customer tells.

Think about that squad of Marines - drilling in Marine precision. Each doing the same thing, the same way, in perfect synchronization. It's an awesome sight. But if just one Marine gets out of step, the entire squad suffers. When one of our stores falls out of step by failing to deliver on our brand promise, when one of our stores lets a customer down, our unit ... our brand suffers.

We've been talking a lot about brand for the last few years. Brand; "our promise of value." It's what customers expect when they visit our stores. So where are we in this brand building process? My estimate is that we are 30% of the way there. We've defined the elements of our brand – WOW, Expertise, Selection. We are at various places in addressing each of these elements. This morning, I am not going to talk about them. Instead, Carrie Glassburn is 'taking it to the street.' She will attend at least one of your dealer group meetings before the end of June to share this brand message; to share the details that we have for building the next layers on our brand

All Big O dealers need to participate in these meetings. You need to hear what the next steps are going to be. We need to hear your thoughts on how best to implement these plans.

In the end, you are our brand! Our future, your franchise, your retirement value lies in working together, doing things the same way, consistently at every store.

Do the right thing, the right way, for the right reasons!

Closing

35 years ago the question I faced was - "John, what is the right thing to do?" The answer was a trip to that house with a broken window, an apology and a new window.

Today the question is – Are you willing -

To do the right thing - make customer satisfaction your #1 priority

The right way - the Big O way

For the right reasons - To build our brand; not just so our company can survive, but so each of you and your stores will thrive!