

DICK NORDNESS - EXECUTIVE DIRECTOR - NORTHWEST TIRE DEALERS ASSOCIATION Northwest Tire Talk • Kennewick, WA 99338 • Ph: (509) 948-2433 • Email: nwtiredealers@hotmail.com

#### May | June 2018

#### LES SCHWAB CEO BORGMAN TO RETIRE

Dick Borgman, CEO of Les Schwab Tire centers Inc. since 2007, plans to retire June 30, concluding a 28-year career with the company.

Borgman joined Les Schwab Tire in 1990 as general counsel and quickly moved up the executive management ranks, building programs and infrastructure to keep up with the company's rapid growth and changing business environment.

His tenure at Les Schwab coincided with the implementation of information systems to inventory, logistics, store operations, marketing and sales, along with the recent adoption of digital technologies to enhance customer experience, the company said.

Mr. Borgman's rise to the top included eight years (1998-2006) as an executive vice president, before being named a divisional president in 2006 and then CEO in 2007.

He succeeded Phil Wick as chairman in 2008.

During Mr. Borgman's tenure, the company grew its footprint from 179 tire center locations to 481 locations and \$1.8 billion in annual sales, the company said.

# What's Inside

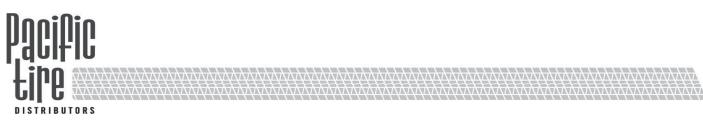
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The company has named Jack Cuniff, the dealersip's chief financial officer since 2008, to succeed Mr. Borgman, effective July 1.

#### TCI COLORADO ACQUIRED BY QUALITY TIRE

Quality Tire Co. has acquired TCI Tire Centers commercial service locations and an MRT retread plant in Colorado, expanding the

#### Continued on page 4





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# LEGISLATION TO HELP AUTO REPAIR SHOPS

Governor Jay Inslee has signed Washington House Bill 1742 into law that will be of help to auto repair shops.

The measure sponsored by Rep. Melanie Stambaugh, R-Puyallup, authorizes automotive repair facilities to obtain a vehicle transporter license and transporter license plates for the purpose of evaluating vehicles for repair on the public roads of the state.

The idea for the bill came from an auto repair shop in Puyallup, part of Representative Stambaugh's district. This no-nonsense bill will allow companies and others to voluntarily obtain licenses and plates if they feel it would help their businesses. Entities eligible to apply for the license include businesses that repair personal vehicles as well as those that service commercial vehicles.

An auto repair facility must follow the same application requirements as other entities seeking a transporter license and may apply for transporter license plates, which must be displayed conspicuously on vehicles being driven for the purpose of repair evaluation. The use of transporter plates is subject to the same conditions, limitations, and penalties as for other vehicle transporters. House Bill 1742 passed both the House and Senate unanimously,

The measure takes effect 90 days after session on June 6, 2018



### LOBBYISTS RAISE THEIR GRADES FOR THE 2018 LEGISLATIVE SESSION

Washington lobbyists gave the 2018 Legislative Session the body's highest performance of the past nine sessions, according to a new Stuart Elway poll.

Though the 2018 Legislature got a C plus grade instead of last year's C minus, the business lobby was second only to environmental advocates for being the most disappointed with this year's Legislature.

Finishing on time was considered this year's big accomplishment considering that the Legislature has mostly gone into overtime special sessions in several of the past years. Lobbyists also rated the funding package for schools and social services bill highly in their survey.

Business lobbyists cited the Legislature's lack of fiscal restraint and various anti-business provisions in bill as their reason for giving the Legislature low grades a whole.

#### 2018 OREGON LEGISLATURE ADJOURNS EARLY

The 2018 Oregon Legislature ended its biannual short session more than a week earlier than state law required them to depart. The session ended with a flurry of action that included carving out money to help the Eagle Creek Fire recovery efforts and support new statewide rules regulating air pollution.

Lawmakers left Salem without passing a complicated cap-and-trade proposal that had been expected to dominate the five-week session.

So the good news is that lawmakers left town early, with little damage to business and the Oregon economy.

### TIA ADVANCED HANDS-ON TRAINING

The Tire Industry Association (TIA) is offering Advanced Hands-On Training for technicians in the Earthmover and Farm Tire Service Industries. With support from AME, Stellar Industries and Tire Life, students will receive comprehensive handson training using a service truck, hydraulic tools and a variety of equipment that can aid them in servicing tires.

The first day of class will be in a classroom setting, going through videos and workbooks. The remaining three days will be hands-on training. TIA's goal is to have students leave with comprehensive knowledge that can only come from a combination of formal and handson learning. Students successfully completing a final exam will receive a Certificate of Completion.

Training will be conducted at Stellar Industries in Garner, IA and classes will start on Tuesday mornings and end at noon on Friday. The Farm tire training class is scheduled for July 24 to the 27th. There will be two Earthmover classes, the first starting on May 22 and second starting on July 31.

For more details on this training contact Christine Hoogenboom at 800-876-8372 extension 106.

### TIA ACCEPTING NOMINATIONS FOR DIRECTORS

The Tire Industry Association (TIA) is accepting nominations for service on the 25018-2019 TIA Board of Directors. The deadline to submit nominations is Monday, May 7, 2018.

Each board of director will serve a threeyear term and may be re-elected to serve two additional, three-year terms. Position on the TIA board of directors are open to individuals that fulfill the following requirements:

• Employed by a TIA member company

• Member company has been in good standing for two consecutive years prior to election

• Represents a manufacturer, tire dealer, wholesale distributor, supplier, recycler, or retreader

Any TIA member in good standing or an official representative of an industry association may recommend candidates to the Nominating Committee in accordance with the TIA bylaws. Self-nominations are also welcomed.

A nomination form is available at https://www.tireindustry.org/tia-board.

# **TCI, QUALITY TIRE ACQUISITION**

# Continued from front page

dealership's reach to eight locations and three retread plants in three states.

Salt Lake City-based Quality Tire, a Michelin dealer and Oliver Rubber-affiliated retreader, closed the deal April 1 tor TCI locations in Colorado Springs, Henderson and Loveland, Colo. and an MRT plant in Hudson, Colo. Quality's existing commercial locations are in Salt Lake City, Orem and St. George, Utah, and Belgrade and Billings, Montana, with Oliver retread plants in Salt Lake City and Billings.

The TCI deal brings Quality Tire's employee count to around 145, with 45 service and boom trucks.

Founded in 1958, family-owned Quality Tire specializes in Michelin and BFGoodrich tires and also carries a range of other brands.

Financial details of the deal were not disclosed, but Quality Tire President Scott Hanson said he expects the acquisition could boost Quality Tire's annual sales more than 50 percent.

Michelin did not comment on the deal, which brings the TCI network of commercial tire centers down to five remaining centers in California. Michelin has divested 51 centers and eight retread plants in the past year.



### NORTHWEST WHOLESALE AND RETREADING'S NEWEST WAREHOUSE

Northwest Wholesale and Retreading has completed construction of their new Millersburg location just off I-5 in Millersburg, north of Albany.



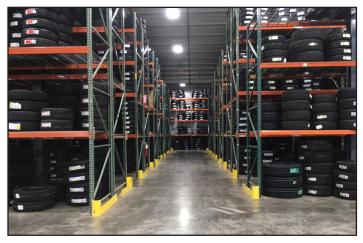
This new state of the art tire warehouse covers 33,000 square feet to house their very diverse multi-line inventory. They stock everything from tubes, auto, light truck, commercial tires to a large selection of Industrial, Agricultural and OTR tires. This now give them a combined warehousing space of over 300,000 square feet between their multiple locations.



Long time team member Mike Moritz is the branch manager as is his crew of 3 warehouse personnel and four daily delivery drivers.



Pictured above are Sam, Steven, Mike, Lori, and Robbie with Matt, Chelsea, Cary and Wayne (not pictured).



Having four delivery drivers gives them the ability of making three deliveries a week to Southern Oregon as well as multiple daily deliveries to the Salem, Albany and Eugene markets. Along with delivery convenience is their expanded hours of 7 am to 5:30 pm Monday thru Friday and 8 am to noon on Saturday.



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# **POINT S ON THE MOVE**



Point S USA has engaged Market Force Information L.L.C., a leader in retail store evaluations and performance reporting, to be an independent auditor overseeing the group's agreed-to "essential store standards" covering common appearance and performance.

"Since we are built by and for the independent dealer, it's critical that we have standards that unite our brand across our entire network," Clint Young, Point S USA's director of sales and business development, said.

"This demand for 'essential store standards' came from our members and it's important to all of us to support our members' stores by giving them access to information and feedback that helps them improve, " he added.

"The Point S on my building represents more than just being able to offer my customers great pricing, it's a badge that signifies a promise I make to my community, my employees, and myself every morning when I open my doors," Jeff Keating, chair of the group's Brand Protection Committee, said.

The committee is made up of board members, executives and marketing support staff. The committee settled on Louisville, KY-based Market Force Information after a thorough vetting process.

Together, Point S and Market Force created and established common guidelines from exterior, interior, merchandising and operations for each store. Market Force provides location-level customer experience management solutions through its proprietary online platform, KnowledgeForce.

"Our history of supporting brands with on-site assessments to enhance the customer experience will enable Point S Tire to identify best practices and insight for their Owens as they continue to grow," Charles Cornwell, Market Force's director of sales, said.

The Point S Brand Protection Committee and Market Force will empower strategic insight by integrating banding, operational and experiential measures across their system, while providing valuable insights for their owners.

"We've made promises to our owners, and commitments to our Point S partners that we'll steward our brand forward," Point S CEO Walter Lybeck said.

"These steps will help support our growth across the United States. Quite frankly, it's another example of who we are as a group. This member benefit further helps owners focus on their customers and employees by making it easy for them to identify changes that will help improve their business."

After adding 20-plus points of sale last year, Point S USA has more than 200 retail locations in 15 Western states with combined retail sales of over \$300 million. It also operates distribution centers in Denver, Salt Lake City, Memphis and Portland.

#### **CERTIFIED AUTOMOTIVE TIRE SERVICE**

Certified Automotive Tire Service (ATS) is a Tire Industry Association 300-level certification program that provides in-depth and comprehensive instruction on the recommended procedures for servicing modern automobiles and light trucks.

Certified ATS is designed for the professional tire

technician so the subjects range from the relationship between torque and clamping force to the TPMS relearn procedures on domestic and import vehicles.

The ATS training is now available to NWTDA members locally. For more information contact the NWTDA office at 509-948-2433.

#### BRIDGESTONE, GOODYEAR FORM "TIREHUB"

Bridgestone Americas and Goodyear are combining their respective U.S. wholesale tire distribution assets into a 50/50 joint venture, called TireHub L.L.C. that will operate through 80-plus distribution centers nationwide.

TireHub will be based in Atlanta and managed by an independent management team led by CEO Peter Gibbons, a veteran business and supply chain executive.

The announcement was made in a news release distributed by both tire makers.

TireHub will combine Goodyear's companyowned wholesale distribution network with Bridgestone's Tire Wholesale Warehouse (TWW) subsidiary, the venture partners said.

The transaction is subject to customary approvals and is expected to close mid-year.

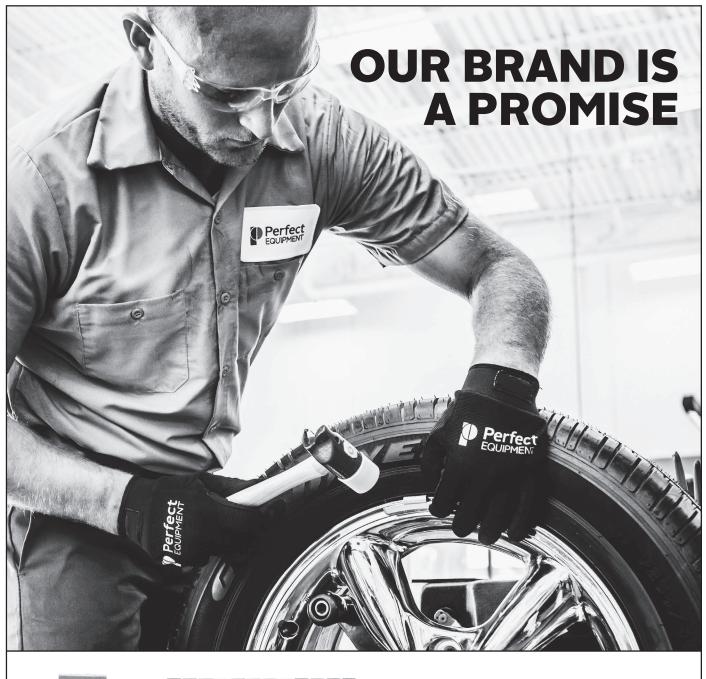
The total estimated fair value of the joint venture is expected to be approximately \$600 million, according to a Goodyear 8K filing with the Securities and Exchange Commission.

The parties estimate start-up costs will be approximately \$40 million and will be shared equally. These costs are related primarily to information technology infrastructure, initial staffing requirements, and other administrative costs, Goodyear said.

The creation of TireHub comes four months after Michelin North America Inc. (MNA) and Sumitomo Corp. of Americas (SCOA) agreed to combine Michelin's wholesale distribution activities with TBC Corp.'s wholesale assets into a 50-50 joint venture, to be called National Tire Wholesale (NTW).

The new distribution company will complement both companies' networks of existing third distributors and provide a fully integrated distribution, warehousing, sales and delivery solution.





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