

Finding Your Niche

By Dan Smith

As I travel around New England I meet all types of rebuilders in shops ranging from a part-time, one-man operation attached to his home, to multi-bay full-service facilities that rebuild electrical, radiators, axles, service air conditioning and do general repairs. Some of these operations are flourishing and some are floundering.



The ones that are just getting by seem to be the ones constantly complaining about the rising cost of parts, cheap off-shore units of questionable quality, and stiff competition from discount chains. They search for the cheapest parts they can find and cannot understand why they have high comeback rates.

They are also the ones you never see at a training clinic or trade show. Their shop labor rates are low and they always seem to have cash flow problems. New designs upset them. They will purchase new specialty tools only as a last resort. Their attitude is usually negative.

The shops that are flourishing have the same business challenges but face them differently. They see themselves as professionals. They act and charge accordingly. They invest in themselves through training, attending trade shows and joining trade organizations. They keep up to date on the latest tools and techniques. Their shops are set up to be customer friendly and have a retail appearance to them. Shop rates are close to those at local dealerships.

They understand that quality parts cost a little more and are prepared to lose a sale if they cannot convince the customer to have the job done right. They stand on their reputation and seldom bad-mouth a competitor. In a nutshell they act like businessmen and women.

What one sees as an obstacle the other sees as an opportunity. While one feels that he has to drop his price to match the discounters, the other sets himself apart and above the discounters with his prod-

uct knowledge and service. When certain segments of business diminish one gripes and complains while the other goes looking for new business to replace it. That new business often develops into a lucrative niche market.

One shop owner purchased the tooling to change clutch pulleys. He then went to all the local dealerships and parts stores and left his business cards with "clutch pulley change \$10" on the back. He knew he could make a little on each pulley change and cover the costs of the tools quicker. What he did not expect was the new business from the pulley swap customers, who now knew where he was and what he did.

Another shop hired a trained technician and started repairing small AC motors and hand tools. A third shop specializes in antique fire truck units. One shop that specializes in marine rebuilding published their own catalog to increase sales.

Some of the markets rebuilders have moved into include: servicing electric wheelchair and three-wheel vehicles, specializing in old Ford Model A and flathead units, building concours quality show units, supplying numbers matching units for "muscle cars," servicing "Barbie" cars, rebuilding fuel injectors, contract rebuilding for larger distributors, machining replacement parts for classic cars and boats, servicing electric trolling motors, building upgrade and conversion units, offering professional installation of high output units for the audio market, installing on board DVD, GPS and rear site systems, stocking and installing electric window motors, and repairing battery chargers.

These markets can be local or long-distance through the Internet, or by advertising in enthusiast magazines. With inexpensive Internet access, UPS shipping, and many manufacturers looking for qualified service personnel there is little to stop a shop owner from finding additional revenue streams.

While not all of these markets will be a good fit for every shop it is very likely that one of these, or perhaps some other unfulfilled need, is available to most every rebuilder. To remain successful today we need to look outside our box, push our comfort zones a little, invest in

ourselves, use the latest tools and sales aids, and try new things.

Are you flourishing or floundering? Do you see obstacles or opportunity? Is there a niche out there with your name on it? It will not come looking for you.

Go find it! Make some money.

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