

Keeping it

LEIPOLD TIRE FOCUSES ON TIRES, CHASSIS SERVICE AND BRAKE WORK

By **Shana O'Malley-Smith**

Dennis Leipold has emphasized simplicity since he started Leipold Tire Co. Inc. in 1975. “All throughout the years I’ve used the KISS philosophy, which stands for Keep It Simple, Stupid, and it’s proven well for me!” he says.

While many big box stores, car dealerships and national chains are offering bumper-to-bumper service, Leipold prefers to specialize in tire, chassis and brake work.

“Having a smaller menu allows us to focus on what we do,” he says. “We’ve got an ad that says our whole business revolves around tires, and basically that’s where we confine ourselves, right to the wheel and axel and suspension.”

By keeping his focus on tires, Leipold, who runs two store locations in Northeast Ohio, says he can dedicate the very best products and services to his customers.

“We do the right things right,” he says.

FOUR DECADES OF TIRES

Leipold got his start in the tire business while in high school working for a local tire shop during summer breaks. After graduation he enrolled at the University of Akron but dropped out to go back into the tire industry.

“I started off in engineering, and I became aware that it wasn’t for me so I took a general

selection of business courses,” he explains. “During... my third year, I dropped out midterm and it was early enough to get my money back. I had to be signed out by every professor, and two of those guys told me what a big mistake I was making and what a failure I was going to be.”

Leipold says that was motivation for him to start his own business. He chose tires because that what he knew the most about, and he had heard it was a strong industry.

“Back when I was really starting out I remember someone telling me it was a recession-proof business,” he says. “People always have to have tires, and it’s proven to be that way.”

“Sometimes recessions are our best years because people aren’t replacing their cars. Going back to 1975 and going through many economic ups and downs, it has proven to be pretty much recession-proof. The only limit is yourself. I’ve seen a lot of places go out of business, and it wasn’t because of the market. It was because of bad management.”

Leipold started his business in May 1975 and was joined by his brother, Ken, later that summer. The pair rented an old two-bay Texaco gas station in Stow, a suburb of Akron.



“Business was very slow, but back then everything was very inexpensive,” he said. “My overhead was \$75 a day and that covered everything.”

As business picked up, Leipold purchased a semi-trailer and parked it next to the building to use as a warehouse. He purchased a second location in neighboring Cuyahoga Falls in 1983, and in 1986 he moved his Stow store from the Texaco station to the location where it sits today.

“In ‘87 and ‘88 we grew and expanded both buildings. I was adding warehouse space and service space and gradually increased the staff from just my brother in 1975 to currently 26 people.”

WORKING WITH WHAT YOU’VE GOT

Today, both store locations sit on suburban



Dennis Leipold says the way you do business is more important than numbers.



Inventory space is limited at Leipold Tire, both by design and necessity. “To try and have on hand what could come in the door, I would need a 90,000-square-foot warehouse to cover every potential call,” says President Dennis Leipold.



While the winter months are a busy time of year for tires, Leipold says not that many customers are buying snow tires like they used to.

street corners with heavy traffic volume. Both locations are also noticeably small.

“The Stow store is around 3,500 square feet and the Cuyahoga Falls store is 5,500 square feet,” he says. “Each store has 10 seats in the waiting room, and the waiting rooms are about 400 square feet. There’s not a square inch of open space.”

Leipold says he kept the stores small on purpose, focusing on efficiency and keeping fixed costs down. He played with the idea of doing an expansion in the past, but ultimately decided to rework the space instead to save money.

“Around 2000 I had the plans drawn to double the size of the Cuyahoga Falls store for more service bays and more warehouse, and at the last minute I pulled the plug on the deal and I looked at ways to increase efficiency. We reduced our inventory and moved in three additional tire changing machines and one more balancing machine, and it kept our utilities and insurance and all of our fixed costs down.”

He took the savings from not doing the expansion and invested it into his employees.

“Instead of putting money into buildings, we put money into our employees through bonuses,” he says. “They work hard and they earn it.”

Although the shops are small, they turn out quality work in similar volumes as their larger competitors. The Cuyahoga Falls store operates with five bays while the Stow location has six.

“We have a new car scheduled every hour for the auto services,” he says. “We

do five to six cars an hour on the tire side, that’s sales and tire repairs.”

They take both walk-in customers as well as appointments.

“Our appointment schedule is generally full, but we have it built in a way so we can fit in the walk-in service for most of the year,” he explains. “November and December we have appointments scheduled as well as some walk-ins and we have a heavy amount of drop-off because of the weather.”

While the winter months are a busy time of year for tires, Leipold says not that many customers are buying snow tires like they used to.

“Back in the ‘80s I did a huge volume of snow tires because a lot rear-wheel drive

cars existed, but I haven’t stocked snow tires in about five years,” he explains. “We’ve got so many distributors that we can have them here the same day if I order them by 11 a.m. We let them carry the inventory and we take it when we need it. Most of our customers want all-weatherers.”

KEEPING UP WITH DEMAND

Another aspect of business that has changed dramatically for Leipold over the years is the way he buys tires from distributors.

“I used to buy directly from the rubber companies in trailer loads, and I’d order one to two trailer loads a month and mix it up,” he says. “However now, there are so many regional distributors that we have probably six

Preventing NVH problems before they happen

Attention to detail is especially important when customers come in for noise, vibration and harshness (NVH) issues. They can be a tricky problem for tire pros since several factors can cause NVH.

At Leipold Tire Co., a two store operation based in Cuyahoga Falls, Ohio, Vice President Andy Leipold says taking time to listen to the customer’s complaint is the essential first step to identifying the problem. “They might say, ‘It really

shakes when I’m getting on the highway’ or ‘I hate these tires because they’re so noisy’ or ‘Every time I hit a bump I feel like my car is falling apart.’ Those are the three main complaints and from there we’ll have to look and narrow down all of the causes.”

The root cause of NVH tends to be the lack of regular tire maintenance, says Leipold. One way Leipold Tire is able to help customers avoid NVH issues is through its regular

tire maintenance program.

“Anytime you purchase tires from us, rotation and balancing are included in the life of the tire. Obviously were moving around the tires to even out the wear as far as mileage goes, but we’re also watching for uneven wear, so if somewhere along the line it does knock the alignment out, if you come in every 5,000 miles, we can catch it in time and get the alignment set before (NVH) becomes a problem.”

Leipold Tire

to eight short truck deliveries from regional distributors daily to restock and to bring in special orders for non-stock items.”

With the rapid increase SKUs, he says it doesn't make sense for him to keep a large warehouse of inventory on site nowadays.

“The last 10 years the size and speed ratings and profiles have gone ballistic. A trailer load would last 10-25 days. Now I have to have two-a-day deliveries from distributors because to try and have on hand what could come in the door, I would need a 90,000-square-foot warehouse to cover every potential call.”

He says about 80% of his business is stock tires and 20% is customers' special orders. When it comes to tire brands, Leipold

Between Internet sales and more neighboring competition than ever, Leipold says it's important to stay relevant in customers' minds.

“The number of independent dealers has declined dramatically in the Akron area. They've been replaced by national and regional chains, and car dealerships have taken their stab at it. We've seen a lot of change in the competition, and it forces us to be continually on our toes to maintain our market share.”

MAINTAINING MARKET SHARE

Leipold credits his quality work, attention to detail and top-notch customer service for his longevity in business.

chassis and brake services,” he says. “Those are highly skilled guys and the employee who has been there the least amount of time has been with me for 12 years. The longest is 26 years.”

In the tire department, Leipold admits that help is a little harder to come by, but he's recently found a great group of workers.

“My tire department has gradually grown,” he says. “Finding employees has been a challenge. I currently employ five documented immigrants from Myanmar who were granted asylum. These guys are the best new hires. I've had them with me for four or five years.”

Leipold keeps turnover low by paying his employees good wages and maintaining a family-style relationship.

“We're not getting these guys cheap. We pay well above the market for the field for all of our employees,” he says. “We treat them like family because they are.”

THE FUTURE OF LEIPOLD TIRE CO.

Leipold officially retired in 2016, but you can still see him in the stores most days. His brother retired in 2014, but his two sons, Andy and Ben, are vice presidents. His grandson, Landon, also helps manage the business full-time.

Leipold spends the winter months in Florida, but comes back to Ohio when the weather breaks and works as a mentor to his family and employees.

“I see myself as ‘coach’ now. With 44 years of experience there's a lot of stuff that I can help improve from my experience. Sometimes they offer to send me back to Florida!”

Leipold says he enjoys being around the employees and the customers but his life motto is “You either live to work or work to live.” He says he never dreamt of owning dozens of stores and wholeheartedly believes in a work-life balance.

“I'm a faith-based business,” he says. “I'm not going to run a banner over my store, but I live and operate with a biblical life view. It plays into every decision and every relationship. The way we treat people, the way we treat employees.”

“These things are really the driver. My best advice is the U-Haul doesn't follow the hearse.”

Shana O'Malley Smith is a freelance writer living in northeast Ohio. She specializes in the automotive aftermarket.



Vice President Andy Leipold helps unload a truck full of tires at the Cuyahoga Falls, Ohio, location. Rather than manage a large tire inventory, Leipold Tire relies on six to eight short truck deliveries a day from regional distributors.

Tire works with all of the major brands — BFGoodrich, Continental and Michelin to name a few — but feature Cooper and Mastercraft tires.

“We are really dedicated in our relationship with Cooper Tire and Mastercraft Tire,” he says. “They're the bulk of our market because the distributors have a fair share of all of the other brands. So when a customer comes in, a lot of them will make the decision based on our recommendation. However, we listen to customers and we'll get any brand they want.”

One thing he won't do is let customers buy tires from the Internet and bring them in for installation.

“If you want to buy them there, figure it out yourself,” he says. “We're not going to build those companies. They're successful, but they can be successful without me. That's just another market change.”

“One of the things I have programmed into the DNA of all of our employees is attention to detail and to dazzle (customers) with service,” he says. “Those two phrases have been repeated for decades now.”

Leipold caters to the customers who are looking for quality rather than those who are looking for a cheap deal.

“We'll be competitive, but we won't be the lowest price in town,” he says. “We differentiate ourselves with our service, and we provide a different level of service than our competition. The majority of customers appreciate that.”

“However, I lose customers who don't care about the level of service. I have customers who ask me to price match the low-ball guy and I say ‘No.’”

Many of Leipold Tire's technicians have been with Leipold for decades.

“Our auto service consists of all of our