



TRUCK  
DEALER  
*of the*  
YEAR  
2009

HEAVY DUTY  
**Trucking**  
DELIVERING THE WORLD OF TRUCKS

# Customer Service Key To Success



Truck Dealer of the Year nominees share insights on dealing with the recession, taking care of customers and the challenges dealers face into the future.



The American Truck Dealers/*Heavy Duty Trucking* Truck Dealer of the Year is selected annually by a team of judges at Indiana University Kelley School of Business.

Candidates, who are nominated by their ATD line representative or dealer association, are judged on excellence in business practices, industry contributions and community service. The judges also select one Truck Dealer of the Year Finalist, who will step in if the truck dealer of the year is unable to fulfill his duties.

Those duties include meeting with congressional leaders as representative of ATD and truck dealers, honorary ATD officer at ATD functions, and serving as dealer-in-residence at Indiana University, where he or she addresses business school classes.

#### Deborah Lockridge • Editor

**T**he slowing in the economy hit truck dealers at different times. Some, whose customers are heavily concentrated in hard-hit industries such as construction and automotive, started noticing a slowdown two years ago. For others, it hit when fuel prices spiked. And for those whose customers are largely involved in the oil business, it really didn't hit until the economy fell off the cliff late last year.

That's the situation with this year's American Truck Dealers/*Heavy Duty Trucking* Dealer of the Year nominees. Yet all six are managing pretty well, relying on their parts and service businesses, tightening their belts, and coming up with creative ways to serve customers, increase revenues and cut costs.

#### Seeing a Slowdown

For Sweebe, the first four months of this fiscal year, which started in November, saw both sales and profit above where they were last year. "Do I expect that to continue?" he says. "No. Have we seen business slow down? Yes. Are we taking cost-cutting measures? Absolutely."

Many of Sweebe's customers have

**This year's Truck Dealer of the Year is Richard "Dick" Sweebe, president and CEO, Diamond Companies, an 11-location network offering Navistar and Isuzu product based in Memphis, Tenn.**

**The Dealer of the Year Finalist is Glenn Larson, president of the Larson Group, Springfield, Mo.**

trucks parked; some have new trucks they haven't even put in service yet. "I think the major truckload carrier fleets we service are probably in worse shape than we are. A lot of people we serve are involved in some way or another with the auto business, and that business is pretty much at a standstill."

Most customers, he says, are taking a wait-and-see attitude about buying any new trucks. Maybe later this year, some say. Service has dropped off, as well, with backlogs in the company's service departments falling to next to nothing.

The credit crunch, the banking situation, is an issue that continues to affect the industry, Sweebe says. "The availability of capital to be able to expand your business, or even operate your



## TRUCK DEALER OF THE YEAR RICHARD "DICK" SWEBE

*Diamond Companies  
Memphis, Tenn.*

**U**nder Richard "Dick" Sweebe's leadership, Diamond Companies has grown from a factory branch in Memphis, Tenn., to an 11-location network offering Navistar and Isuzu products in four states.

Sweebe began his career in the truck industry as a sales trainee with International Harvester. After 10 years of increasingly responsible positions, he successfully purchased the Memphis IH branch through a co-dealer program.

## Winner Profile: Richard "Dick" Sweebe

By 1987, when the five-year buy-out process was completed, Sweebe had started an Idealease truck renting and leasing firm. In the mid '90s he began a series of expansions leading to the formation of Diamond Industries, which operates 17 facilities in 12 cities. Under his leadership, sales have grown from \$20 million to \$220 million and employment has grown from 56 to 600.

"His story is a testimony to the commitment, strategic vision and perseverance of a single individual," says Lynn McGee, chair of the 2009 Truck Dealer of the Year Selection Committee. "His innovative employee reward and responsibility sharing programs and management systems demonstrate his commitment to employee motivation, leadership and development. Sweebe's continual innovation in customer service programs suggests the source of his organization's strength and growth in its markets."

For instance, Sweebe recalls that back in 1987, a customer who had bought a large number of trucks objected to having to bring his trucks to the shop for minor warranty repairs.

"We did not want to lose the warranty work by allowing the customer to perform the work, so we stationed two technicians at his location on a permanent basis for as long as there was enough warranty work to recover 100 percent of the technicians' time," Sweebe says. "The customer was elated. This also solidified our relationship with the

customer and gave us eyes and ears on the inside to tell us about any product problems or concerns the customer might voice in his own shop that he would not tell us about."

That customer is still a customer today, and since then Diamond Companies has implemented the same type of program with numerous other customers with similar success.

While his goal is to continue to grow the company, Sweebe says that doesn't necessarily mean opening more locations.

"We'd like to continue to get a bigger chunk of the markets we're already competing in," he says. If other markets become available that are contiguous to their current operations, he's certainly open to the idea of expanding. "But we're not interested in going to Orlando or Phoenix and being a dealer. We're only interested in what's contiguous to our current boundaries."

On a personal level, Sweebe loves the variety involved in being a dealer principal.

It might be a building project, a fleet deal, talking with the OEM to resolve a product issue for a customer, helping another customer with financing, addressing the used truck situation or going to see a new facility that's just opened.

"There's always a new crisis," he says. "Like Forrest Gump, it's like a box of chocolates – you never know what you're going to get."

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business,” is a problem, he says, as is the availability of money to finance trucks.

At The Larson Group, a Peterbilt dealer group with six locations, they started seeing a downturn in 2007, says President Glenn Larson. “Revenues declined in ‘08, nothing that we’d ever seen before,” Larson says. “But we’ve maintained profitability through strong operations, parts, service and body shop. Obviously, the biggest effect has been on the new truck business. It’s down probably 60 percent year over year, and probably 70 percent from 2007.”

Larson’s group believes there will be some slight improvement in the last half of this year and a gradual upswing into 2010. “If you look at the average age of trucks, almost 8 years, there’s a tremendous opportunity going forward if credit’s there and if the financial stability of these truck lines is in place to buy that equipment.”

One good sign, Larson says, is that in February, any of his customers who were credit-worthy were able to get financing.

For Del-Val International Trucks in Montgomeryville, Pa., things really started hitting hard when the fuel prices spiked last year and left customers reeling. “One thing that happened at that time was we saw service drop off in a way we had never seen before,” says Thomas Strohle, Del-Val president and general manager, as cash-strapped customers put off maintenance. “We found ourselves having technicians paint things and that kind of thing,” which was a first.

Volume is down at Marty’s GMC/Buick/Pontiac/Isuzu in Kingston, Mass., says Christine Alicandro, dealer principal. Yet, she says, her company is still maintaining its market share and its number one position in sales.

Probably the last of our nominees to be adversely affected by the economy was Bruckner Truck Sales in Amarillo, Texas, because its business relied largely on the oil industry, which was booming for much of last year. “But along in November, December, the bottom just really fell out,” says Ben

Bruckner, chairman of the board, saying that truck sales are on track to be about half of normal this year.

“We’re just putting more emphasis on the salesmen being out in front of the customer,” Bruckner says. “Typically, truck sales are made when a salesman gets in the face of a customer. But we got spoiled the last couple of years, and they got used to selling trucks from their desk with the telephone. That’s changed.”

## Tightening Belts

All the nominees say they have taken a fine-tooth comb to expenses, worked to make sure they weren’t overstocking slow-moving parts, worked harder on receivables. Strategies have included hiring freezes, raise freezes, cutting over-

time, closing shifts at some smaller locations or cutting back the hours of operation at others. While many have cut some people, all are trying to make that a last resort, and doing as much by attrition as possible.

“We’ve let a few people go, not very many to date,” Bruckner says. “For years we’ve struggled to get these techs and employees, and we’re not going to let them go lightly.”

Dealers are turning to employees for cost-cutting suggestions. At The Larson Group, that led to a way to save thousands of dollars a year just in the way they’re managing their shop towels. “In one location alone, it’s going to make a difference of about \$10,000,” Larson says.

At Marty’s, Alicandro says, they’re emphasizing concentrating on the things they can control and trying not to worry about the ones they can’t, such as the uncertain future of GM.

“I’ve always been very, very hands-on, but I definitely am out and about and a lot more visible than I have been in many years,” Alicandro says. Whenever she has an extra 15 minutes, she’s out on the sales floor or in the service department or elsewhere in the dealership, talking to employees and answering any questions they may have, “and reiterating our goals, what we’re here for, because our mission doesn’t change.”

The company has been working closely with customers in the area of accounts receivable, as well. “Sometimes there are customers that have had patterns of paying late, and I think shutting those customers off isn’t exactly the right answer. If they come in and need an engine job and it’s \$15-\$20 grand, we put them on a stringent payment plan and just stay on top of them.”

Alicandro also finds herself dealing personally with more customers during these tough times. “It’s all about relationships,” she says. “How much of a priority are we in that list of people they have to pay?”

She also notes a bright side of the downturn – as other dealerships go



**FINALIST**  
**GLENN LARSON**  
*The Larson Group*  
*Strafford, Mo.*  
*Peterbilt*

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out of business, she's able to pick up some highly qualified employees to strengthen her team.

It's a similar story at Sheehan's Truck Centre in Burlington, Ontario, where President Kelly Sheehan says she has been able to hire technicians from shops that have gone out of business.

## All About Absorption

Dealers can thank the last downturn, in 2000-2001, for helping them be better prepared for this recession. That economic cycle forced dealers to realize they couldn't depend solely on truck sales to make money.

Absorption has become a key concept in the dealer world. In its simplest terms, when the gross profit generated by parts and service operations will cover the expenses of the dealership (excluding commissions on truck sales), you're 100 percent absorbed. In other words, when a dealer has more than 100 percent absorption, if he didn't sell a single truck during that time period, he would still have made money.

Sweebe's company started an emphasis on parts and service absorption in 2001, when the combined Diamond Companies suffered the only loss for a fiscal year in the 26 years since the company was formed.

"Ownership and senior management understood once and for all we could not survive on the margins generated by new and used truck sales, and had to establish parts and service absorption rates in excess of 100 percent in order to weather the cyclical nature of the business," he explains.

"We have worked tirelessly since then to make sure we had our absorption rates over 100 percent at every location," he says. "Each of our four regions has had over 100

percent absorption each year for the least four years. So that makes me feel pretty good even in these down times. Maybe I'm not making as much as I want to, but I'm still profitable."

For The Larson Group, as they grew from one location to six, and their truck sales grew, so did the parts and service business. "Customer satisfaction was, and still is, our primary goal," Larson says. "We have integrated this philosophy into every dealership acquired since 1987, and it has proven to be our key to success." In fact, he says, the parts departments have achieved retail market share as high as 18.8 percent, and several of the company's service departments are the largest within their market area.

"I think we probably realized in 2000, when we went through that cycle of stagnant new truck business, we needed to reemphasize efforts on

absorbency," Larson says. "Right now, our company averages about 110 percent, and it needs to be higher than that, it needs to be 125."

When Strohlein took over Del-Val from his father in 1996, "Our biggest untapped strength was in truck parts," he says. "We had an aggressive parts manager, but my father never wanted to go beyond one delivery truck and driver in the parts fleet."

Strohlein started growing the delivery fleet by about a vehicle a year to 12 vehicles, and currently has a mix of full- and part-time drivers on first and second shifts.

Last year Del-Val added a "hot-shot" driver – an afternoon driver who does not run a regular route, but instead runs parts to customers who did not get their order in for a needed part in time that morning and for which the job is too "hot" to wait for the next regular delivery run.

Has all this paid off for Del-Val? Parts sales in fiscal 1996 were \$3.36 million. Last year, they were \$9.34 million.

Alicandro says as people are finding new trucks aren't in the budget, the repair end of things has increased. "The parts and service business is at the highest point now that it's been in my whole career," and that's both from retail customers and from selling wholesale to independent repair shops.

"We have people on the road that do nothing but go to small and medium fleets and say, 'Do you know us, here's what we have to offer, and if you need us here we are.' We've gotten a lot more aggressive in personal marketing."

As other dealerships

## Nominees



**CHRISTINE  
ALICANDRO**  
*Marty's GMC Buick  
Pontiac Isuzu  
Kingston, Mass.*



**BEN  
BRUCKNER**  
*Bruckner Truck Sales  
Amarillo, Texas*

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have closed, Marty's has gone after what Alicandro calls "orphan customers," who have been customers of the same dealer for years and years and aren't sure where to turn when the dealer they're loyal to goes under.

## Dealing With Downtime

A common complaint of truck owners, from the smallest owner-operator to the nation's biggest fleets, is that dealers often don't understand the importance of downtime. They often feel, when they take their trucks in to be serviced, that they're leaving them in a black hole where no communications escape about how long it's going to be until they get that truck back on the road making money.

"Customers are more insistent than ever about wanting their trucks on the road, not in the shop," says Del-Val's Strohle. "Customers are not only more urgent in their need to get their trucks back, but they're also wanting up front information on how much it's going to cost."

Del-Val has been running two shifts for years to help meet customers' needs to get trucks turned around quickly.

"I can't imagine operating in this business climate now without it," Strohle says. "We have customers that need to be able to drop their truck off at the end of a business day and know it's going to be ready for the next business day. The challenge in that is getting good qualified technicians to work a second shift, and that takes time to gather that pool of talent and to train them."

The dealership also is in the process of adding a full mobile maintenance truck. "There is a cost and

some logistics for a customer to get a truck to a repair center and back," he says. "And for some it may mean the difference of having the trucks available the next day."

Part of the issue is capacity, says Larson. "Probably any day, there's more trucks that need to be worked on than there is space available," even though two of his locations are open 24/7 and the others all have extended ours.

Sheehan explains that at her dealership, they use a process similar to the triage in an emergency room to diagnose the problem as quickly as possible (the goal is within two hours) and prioritize the repair, and communicate with the customer as to whether he's looking at a repair that will take an hour or a few days.

"It is similar to how an emergency

room works – the triage nurse asks about your symptoms, takes your vitals and then decides what order you will be seen in," Sheehan explains. "If he/she thinks that you are having a critical event, or if you can be taken care of very quickly (burnt out bulb), you will be seen right away. If it is something that can wait, and our shop is already full, then unfortunately, you have to go to the back of the line or you may be asked to come back at another time. Sometimes, a temporary fix is the answer. We find that this process helps minimize our customers' downtime and helps us to maximize the flow of work through our shop."

The Truck Dealer of the Year nominees agreed that communicating with customers about the status of diagnostics and repairs is crucial.

"If you can't get to a guy's truck, it helps if you communicate that to him, and the date and time when you expect to have it done," Larson says. "It all comes down to people."

Bruckner notes that in the past, "the customary deal was, we got the truck and put it in the shop, and when it was finished we called the customer. Well, that's

not serving the customer well. So we've tried to make a practice that when the truck's in the shop, we have a foreman or clerk give a daily report to a customer. If a truck's down, it's a problem [for the customer]. We're well aware of that."

At Marty's, Alicandro says, they go even further, with a rule that every two hours the dealership is in contact with the customer who has a truck in the shop, even if nothing has changed.

"When we sell trucks, we walk customers through our service department, they meet our technicians," she says. "We want them to know we are in the truck business, and we understand that you need to get back on the road. And if our guys have to work till 10 or 11 at night because

## Nominees



**KELLY SHEEHAN**  
*Sheehan's Truck  
Centre Inc.  
Burlington, Ontario*



**THOMAS F. STROHLEIN**  
*Del-Val  
International Trucks  
Montgomeryville, Pa.*

we promised you'd have it in the morning, we will. Our technicians understand our number one priority is to get the customer back on the road as soon as possible."

It's that kind of service, she says, that keeps customers coming back.

## At Your Convenience

Dealerships are increasingly finding ways to make maintenance and service more convenient for the customer.

At Diamond Companies, they have several customers where Diamond technicians perform warranty work at the fleet's shop. Mobile maintenance is another service they provide on an ever-growing basis, Sweebe says. "Initially this was provided out of necessity to customers in remote areas, but with today's fuel prices and the need to utilize our facilities better than ever, mobile maintenance is the answer to a lot of problems." When mobile maintenance isn't the solution, they provide free pickup and delivery. "There is obviously an expense associated with this, but we have found that pickup and delivery is often the difference between winning or losing the business."

Meanwhile, Strohlelein has found that more customers are fixing their trucks at night, so Del-Val has been experimenting with later and later parts service, adding a full second-shift parts counterperson and delivery person within the past year. And they may even need a second delivery person, he says.

Another new plus for customers looking to get their parts faster, he says, are changes in how International gets parts out from its warehouse to the dealers. In the past, Strohlelein says, if you ordered a part today, the dealer would get it tomorrow from the warehouse, and depending on the time of day, might not be able to get it to the truck owner until the next day – a two-day turnaround.

"Now we can order a part today, International will deliver that part this evening, and we can turn around and deliver it to the customer this evening."

At Sheehan's Truck Centre, a pickup and delivery service is offered to customers to make doing business with

the shop more convenient. And to make it more comfortable while drivers wait, there's a drivers' lounge with reclining chairs, microwave oven, washer and dryer, satellite television, computer with Internet access, and shower facilities, and there's plenty of space for customers to drop trailers while the tractor's in the shop.

**"Customers are more insistent than ever about wanting their trucks on the road, not in the shop."**

**– Tom Strohlelein**

## Technicians Key

Part of the challenge in meeting customers' needs to get repairs done quickly is having good technicians, an ongoing challenge for anyone involved in truck repair and service.

"It's not that we don't have the space or the personnel," Sweebe says. "They don't have the training. Not everybody is a journeyman, top-grade technician where they can diagnose every single problem that comes in." Many technicians specialize in areas such as engines, transmissions, electrical or air conditioning. "Sure, we've got a guy that can do a brake job or change the oil, but with today's products, you've got to be pretty well trained up to get into engine diagnostics or figure out what's going on with that transmission," Sweebe says. "That's where we come into backlogs."

The current state of the economy means the technician shortage has eased for now, but it will come back. "It has been a challenge, and it will be a challenge again," Sweebe says, as the technician workforce ages and it is harder to attract young people into the field. "I have a big concern that we're going to someday have this big sucking sound of all these older technicians retiring, and

there's no one there to take their place. Our core group of technicians are all guys in their late 40s and older."

All the nominees stress the importance of working with area vocational and technical schools, participating in job fairs and the like to help attract new talent to the industry. Several have apprentice and/or internship programs.

For Del-Val, while Strohlelein says they're always looking, because of the company's reputation as a good place for techs to work, more than half the technicians they hire have approached the dealership themselves rather than being recruited.

At Diamond Companies, Sweebe says, they use the lease and rental operation as a feeder operation for technicians, because the work in that arena is mostly light repairs and preventive maintenance. "It gives us a chance to get a guy in there, and if he has an aptitude to learn, we'll train him up and move him over to the dealership, where he can become a full-fledged technician."

Marty's has an apprentice program, and they work to have at least two apprentices at all times. "I spend a lot of time with my technicians," Alicandro says. "I have lunch with them at least twice a week. They're the foundation of a successful dealership, in my mind."

Pay and benefits is of course important, Bruckner notes. "We are really sensitive to what the market is in terms of benefits, and we try to keep right at the leading edge of what the pay structure and the benefits are."

## The Future of the Small Dealer

Small dealers and large dealer groups alike say each type has its place, and each has advantages over the other.

Strohlelein, who has two locations, says, "It's a service industry, and I think the closer you are to your customer base, the more responsive you are to their particular needs. I think a small organization can be more flexible. I think the bigger the organization, the more remote the key decision-makers become from the customers' needs that you're trying to meet."

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Sheehan, who has one location, also believes a single-location dealership may be more flexible and able to react faster to customer needs than larger dealer groups.

"There's a place of course for the large dealer groups, but I think there's also a place for the smaller, family-owned independent dealership," Sheehan says.

"We're a lot more hands-on, we have a smaller management group, we don't have a big corporate head office, which means communications are better and decision-making's easier" without any bureaucratic red tape to go through.

Larson says there are some markets, particularly smaller markets, where the single-location dealer will still prosper. "I think the ultimate question is, what's the right size?" He points out that having a larger dealer group brings economies of scale with operations such as accounting, HR and IT.

"But at some point, do you lose the ability to be in touch with your customers and your employees? We don't know what that size is."

Bruckner's has 10 locations, and Bruckner jokes, "I don't sleep well." But he also points to economies of scale. "The investment we have to make, like in computers – the computer we have can run 10 stores just as well as we could do one. Our CFO is as capable of running 10 stores as one. You leverage equipment and leverage people, and it makes good business sense."

He admits that a possible downside of growing larger is that maintaining close customer relationships becomes more of a challenge. "But with my two sons and myself, we keep pretty close to the customers." He admits, however, that in some ways it was more fun to run a smaller number of dealerships.

Sweebe too, says he misses being able to personally build more of those relationships because he's more involved with the broader issues. But building relationships is no less important than it was when his operation was smaller, he says. "Now we have to depend on others to have that relationship as opposed to the dealer principal."

The managers responsible for each

dealer location must be empowered, Sweebe says. "You have to identify them within your organization and to your customers that this is the guy that makes those decisions. This is the guy that's running this operation, and if you have an issue or a problem, this is who you need to go to. And you step back and let that guy or gal run that business."

Sweebe believes there always will be a place for the single-point dealer, though it likely won't be the norm. "But they've got to find a way to grow their sales, if

**"At some point, do you  
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employees?"**

**— Dick Sweebe**

not with just the product that they represent. They're going to have to represent multiple lines, or they're going to have to get good in the trailer business or the log skidder business or lease and rental. I don't think you can really compete and truly be successful [with a single dealership] if you're doing nothing but selling new and used trucks, parts and service for one brand."

Alicandro has been doing just that. "We've got to diversify to stay competitive and stay profitable," she says. "Twenty-five years ago (when the business her father started sold GM heavy trucks), if anyone told me I'd be selling cars, I'd have told them they were out of their mind. I love trucks."

## Technology Today

All six nominees agree technology has become a fixture of today's truck dealership.

"Technology might well have been an alternative in the early days, but now it's a must," Bruckner says.

At Diamond Companies, Sweebe notes that, "When we lose power in the dealership today, people don't know what to do. You can't look up a part, you can't print out a service invoice. It wasn't that long ago we were handwriting those things."

Nevertheless, he says, all this technology is a good thing. "Anytime something makes you more efficient, I think it's better. It makes you more accurate, holds people more accountable and you can be more organized."

Larson notes, "Technology is improving and coming at us quicker than we can even prepare for it. In just a matter of years, we'll have the ability where the truck can notify us via e-mail that it's X number of hours out and needs an oil change. Diagnostically, we can hook up to a truck and find fault codes that tell us what the problem is, and that reduces the time it takes to diagnose it. Changes in technology are dramatic, and if understood correctly, are win-win."

To drastically reduce paper usage, The Larson Group has implemented an electronic document management system. Each night, all nightly reports, repair orders, statements and customer invoices (including invoice signatures captured at the point of sale) are electronically archived. Two years of customer document history are available for instant e-mail or digital copy. Truck sales paperwork will be fully archived this year, as well.

"The accessibility of information is just huge," Alicandro says. "The consumers most of the time are just as educated as my sales reps. I personally like that. They come in knowing what they want, they've narrowed down their options, they know how much weight they're carrying, they know what the body options are, and I think that makes it easier to make a sale."

Technology also has made the truck

spec'ing process easier for the dealer, she notes. "Now it's impossible to spec a truck wrong. There's a lot of better checks and balances that make it easier for us as dealers to make sure we're selling the proper vehicle for the vocation that the consumer wants."

Yet, Strohleim says, "We find that customers still want to deal with people, in spite of the general trend of people buying more by computer, because of the amount of information involved in trucks. It's still necessary to talk to people who have knowledge."

That's especially true, he says, when it comes to buying parts. "They want to be able to call up and get a person, and get an answer." In fact, Del-Val has added more people working the phones to its parts department, and has a direct line to the parts department instead of going through the main phone number.

Parts people can use computers to help fill those parts orders faster, Strohleim notes. "We have sales personnel that are able to take an order from a customer by cell phone in their car and turn around and order the part with the laptop in their car and have a pick ticket generated in our warehouse in a matter of minutes."

Alicandro also emphasizes that the Internet may have changed how people shop for trucks, but it has not changed the need for knowledgeable people. Marty's has implemented a modified Business Development Center, employing management-quality personnel, to keep pace with customers' needs.

"Internet and telephone shopping is supposed to make the shopping experience better and more efficient for the customer," she says. "By having more experienced and knowledgeable consultants in the BDC, a customer can speak with one person who can address every aspect of a purchase from product questions to financing and delivery issues. The BDC works hand-in-hand with the sales department so the customer experience is fluid and efficient."

## Vertical Integration

Many fleets are concerned about the increasing amount of vertical integration, which limits their choices when spec'ing vehicles.

"I certainly understand that concern and respect it, and would agree with it to a point," says Larson. "We're very keenly aware of Peterbilt being a custom truck

**"In just a matter of years, we'll have the ability where the truck will notify us via e-mail that it's X number of hours out and needs an oil change."**

**— Glenn Larson**

manufacturer. But I think to stay competitive as a truck manufacturer, some of that integration is just part of that process of being able to stay profitable and stay in business."

Key to the transition, he says, is better communication between the fleets and the dealer group to deal with those concerns, especially as Peterbilt adds its own heavy-duty engine next year.

Vertical integration offers benefits to the customer when it comes to getting it in and out of the dealer shop quickly, Larson says. Oftentimes, truck repair times are stretched out by the necessity to deal with warranty questions from a multitude of vendors. The fewer vendors the dealer has to call, the faster a warranty issue can be dealt with.

Sweebe points out that International has used its own engines in its medium-duty trucks for years. "There's a case where we've got vertical integration and it's worked fine, and I expect to have the same kind of results with our MaxxForce engine when it gets fully integrated into our product line.

"It is a little bit of a leap of faith, because we've always had multiple heavy-duty engines to sell, and we're fast approaching the day when that won't be the case."

On the other hand, he admits that it has the potential to offer dealers a problem: "What happens if the engine you represent develops a specific problem you had no control over, it gets a bad name in the marketplace and you don't have another engine to fall back on?"

At Sheehan's, which sells Volvo, GMC, Isuzu and Autocar, Sheehan notes that they used to have four engine choices for their Volvo trucks, but now are down to two. "We don't get a lot of complaints about it anymore," she says. "Both Volvo and Cummins have excellent products to offer. Customers that used to run another brand were quite satisfied with their choice once they moved over."

Customers "definitely have to do their homework and make sure they're choosing the right truck manufacturer with the right engine supplier," she says. "You have to partner yourself up with somebody."

## Future Challenges

While the technician shortage may get the most attention, Sweebe and Larson note that dealers need to work on attracting good people to be leaders in all aspects of the business.

"We've got a good group of men and women in the sales organization that are retiring in the next three, five and 10 years," Larson says. "We've found some talent in some young men and women that had no trucking background. They may have sold pencils or computers or typewriters, but they just had that gnaw in their belly to get out on the street to get it done."

At Diamond Companies, Sweebe's team has started a program to identify people who have the ability to lead and prepare them for that role.

"We have to attract quality people in sales, accounting, IT, marketing," Sweebe says. "We need people that are better, smarter, and more educated than when I got into this business."