

An old business meets the new school

A long-time Virginia dealer's children substantially grow the company in five years by combining business degrees with business savvy

By Greg Gerber

A \$30 sign has been highly successful in bringing in thousands of dollars in sales by announcing manager's specials that help draw the attention of customers to units that have outlived their welcome on the lot.

For 51 years, Dodd RV has served RVers in eastern Virginia. As with all family businesses, succession was an issue.

But, when founder George Dodd's highly educated children started taking an active role in the dealership a few years ago, a transformation took place.

Systems were put in place to manage growth, consultants were brought in, training systems as well as new ways of financing inventory were implemented, managers joined 20 Groups and a new store was opened in a growing area of the market.

When Jamie Dodd took over as president the summer of 2000, the dealership had \$1.7 million in sales and employed three people, including Bobby Branch, a service tech who joined the business the year it opened.

The next year, they had six employees on staff and annual sales of \$3 million. In 2006, 45 employees were bringing in \$14 million over two locations — and the business is already ahead of last year's pace.

"Jamie is the spark for our business. He is the entrepreneur who has a vision of what we can become," said his sister Susie Shiflet, who serves as the dealership's comptroller. "He and I make a great team. I take a more conservative approach to the business, like my dad. Jamie works to stretch me and I work to rein him in a little."

Growing that much required drastic changes to business operation, including increasing inventory levels and orchestrating a planned marketing campaign.

Today, Dodd RV sells about 400 units per year, 90 percent of which are towables. Last year, they opened a 6,000-square-foot parts and accessories store at the request of their customers. "We surveyed our guests and they told us they wanted a nice parts store stocked with a wide variety of products, especially items that help make their camping experience more enjoyable," Jamie explained.

Family foundation

George started in business in 1956 when he owned a Texaco service station before buying a competitor across the street and starting selling Terry trailers in 1973. As the oil crisis of the late 1970s drove other dealerships out of business, he brought on more lines.

Today, daily operations are managed by four of his children. Like many children of dealers they worked for the company as teenagers, then ventured into other professions before returning to the family business.

Susie started in the business by accident. She had graduated from Old Dominion University in 1994 with a degree in human resources and a minor in accounting.



The reception area at the Newport News, Va., location is decked out like a north woods cabin.

When George and Jamie took a cross country RV trip to celebrate Jamie's graduation from college, Susie was asked to step in and manage the business for three weeks. She enjoyed the experience so much, she asked her dad for a job when he returned. He put her in charge of financing. Today, she is about to complete her MBA in taxation.

As comptroller, she audits each of the two store's bookkeepers every month and scrutinizes every check the dealership sends out. "In 1994, everything was done on paper. I put the system on a computer, but doing transactions manually for several years helped me understand the financial processes involved in running an RV business."

Susie also oversees Virginia Beach's annual RV show. She works on behalf of all area RV dealers to develop a floorplan and advertise the event that attracts 8,000 buyers.

"We set up a separate corporation for the RV show. We felt we all approached the show from the same perspective and didn't need an outside firm to put it together for us," she explained.

For five years, sister Jennifer Moore has been the general manager of the original sales center in Portsmouth, Va. She has worked in every aspect of the dealership from parts and service to retail — implementing processes at each step to make the store more efficient.

Efficiency is essential at that store where space is severely limited and inventory must be managed daily to replace units as quickly as they leave the lot.

"Our longevity in the area is a big advantage for us. We are seen as a family-owned business with a reputation for service," Jennifer said. "Although it's a different market than when the RV business started 30 years ago, we must work every day to maintain that reputation."

A former distance runner in college and competitive bike racer, sports was important in laying the foundation for Jamie's business success. "Sports teaches the importance of setting goals, of making a commitment to consistent training, of developing self-discipline and the importance of hiring great coaches," he said.

Jamie has a bachelor's degree from the University of Alabama. After graduating, he went to work for an automobile dealership before obtaining his master's degree in business administration from the University of Florida.

He was pursuing another career path when George called to discuss an opportunity to take over the family business. Jamie took a few weeks to consult with his mentors and pray about the situation before deciding the RV world held a lot of potential.

Working at the auto dealership proved to be a huge blessing. It gave Jamie experience in finance and sales for a huge dealer group that sold more than a thousand autos per month. He was able to immerse himself in business management at a fast-paced, growing company.

The discipline of pursuing the master's degree taught him how to study businesses and apply key management concepts. "My dad taught me how to run an honest, ethical business," Jamie said. "Graduate school allowed me to study high-performing businesses, which helps explain why we grew so quickly."

A crack in the foundation

But the family faced a big challenge shortly after Jamie took over the dealership. For years, George had successfully managed *his* business and he was reluctant to change.

"I heard, 'We have done it this way for years and it has worked, why would we want to try something another way?'" Jamie said. "He was afraid to let me take some swings on my own, even though I studied successful RV dealers and wanted to try things the high performers were doing. My dad kept shooting the ideas down."

Finally, the dealership hired a premier family business consultant from Ohio to help. He looked into the background, skills, talent and abilities of each person before making recommendations to break down the walls that restrained Jamie and the business.

"Bringing on a consultant was a huge blessing. That period was very frustrating for me and very stressful for my dad," Jamie said. "The consultant taught me to look at things from my dad's perspective, and he encouraged my dad to look at the future through my eyes."

More importantly, as an outsider, the consultant was able to encourage George to give Jamie a little rope to try implementing some new procedures and marketing ideas.

The first idea Jamie attempted was an open house weekend for invited guests. It was not a cheap risk, costing several thousand dollars for advertising, food and entertainment. But, it wound up being a huge success because many RVs were sold that weekend. In fact, the dealership set a sales record.

"It was a major return on investment," said Jamie. "After that home run, my dad was quite receptive to other ideas I wanted to implement."

Another big challenge the dealership faced occurred in 2003 when Jamie found land in Newport News. The city did not want to give the family a permit to open an RV dealership, nor would they give them a good reason why.

The Dodds hired an attorney, completed all kinds of research and keep persisting for seven months until they got city approval and a license to operate an RV dealership. "It taught me a lesson about persistence," said Jamie. "When it was done, supervisors at the Newport News city office commended me on my persistence to make it happen."

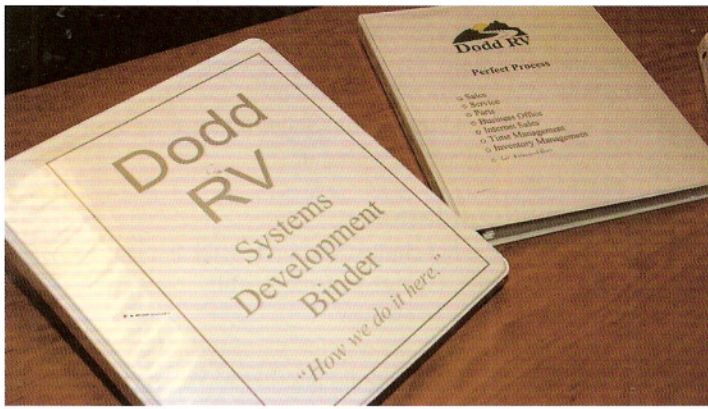
The magic of mentoring

When George owned the business, he worked closely with industry legend Bill Gorman, whose headquarters was a few miles away. Today, by actively participating in 20 Groups, Jamie said he can extract knowledge from great dealers and learn from mistakes made by others.

"All members of a 20 Group gain more substantial knowledge and information than a dealer who doesn't have that type of accountability," he explained.

In recent years, the dealership also hired several key consultants who have helped guide the growth of the company. The most frequent trainers include Virginia Beach consultant Chuck Marzahn and former California RV dealer Bob Azevedo as well as finance and insurance guru Jan Kelly.

Despite a rocky start, dad remains the No. 1 consultant the children turn to for advice. George said he is amazed at how well the children get along while running the business. "We raised them with good Christian principles to begin with," he explained. "Now they admire and look out for each other."



Creating detailed operations manuals for every position and department was one of the first things Jamie Dodd did when taking over as president of the dealership.

High-performing staff

Training is essential for all staff members, not just senior managers. Its purpose is to grow people who grow the business, said Jamie. Training is a trait he picked up from the auto industry. "Auto manufacturers are constantly coming into auto dealerships to train the staff on all areas of operation, not just sales," he explained.

With training, the staff has the confidence to do their jobs — and they perform at peak efficiency, said Jamie. "We have great people who go through training and follow the processes. They make a huge difference in the success of our business," he added. "We are very fortunate to have such a great team and we wouldn't be nearly as successful without them."

He spent the first year on the job scrutinizing every department and preparing detailed operations manuals for every position. For example, the sales manual covers everything from how to greet customers and selecting the right RV to negotiating deals and closing sales.

"Many small businesses owners run their operations by the seat of



As a family-owned business, the owners and managers of Dodd RV consider the staff to be "part of the family." Training is mandatory for all employees. The goal is to grow the people who will grow the business.

their pants, but they won't really grow without specific processes in place that are easy to understand and easily trainable," said Jamie. "Processes empower the staff and free up the owner's time to seek ways to grow the business further."

Processes are what separate small businesses from big businesses. Jamie visited a number of high-performance dealerships when developing a plan for the Newport News location. "One thing I always noticed about high-performing dealers is that they are often willing to help other dealers achieve that same level of success. They are not intimidated by competition, rather they continue to work on what they do best. By improving themselves, they always stay a step ahead of everyone else."

Each year, the entire Dodd RV staff gathers for a special

Thanksgiving trip to Colonial Williamsburg. It's a family event for the families who work diligently every day to serve customers.

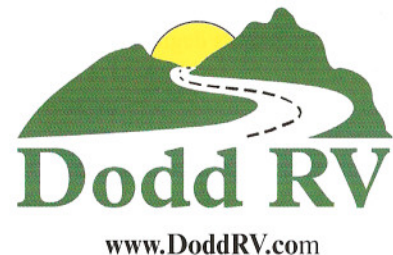
Once or twice a year, customers are invited to attend a dealership-sponsored RV rally at a local campground. Last year's event attracted more than 200 people who enjoyed live music, catered meals, workshops and an opportunity to tour new units. Plus they got to know the Dodd family in a more intimate way that, hopefully, will cement customers' families to the dealership for generations to come. ■

The right stuff

Dodd RV has implemented several things that help them stand out as a high quality dealership. They include:

- E-club is an opportunity for customers to get advance notice of sales, special discounts and coupons. Stories in the electronic newsletters also relate customers' RV adventures.
- Portable "Manager's Special" signs cost \$30 to make but draw immediate attention to older units. Customers often see the signs and ask their sales rep for more information.
- They built a deck off the main entrance overlooking the sales lot. They installed benches and seats as well as a barbeque grill to entertain guests.

- Key customers are invited to tour units during after-hours parties. They are showered with special attention and given a free meal, too.
 - When sending out post-sale surveys, the form asks customers for referrals — of which the dealership gets several dozen they normally wouldn't have received.
 - Volunteer ambassadors work the RV shows and open houses to help customers enjoy their buying experience. Ambassadors receive a gift certificate to the parts store for their efforts.
- "The ambassadors sell as well as our salespeople do," said Jamie Dodd, president of Dodd RV. "What better way to sell an RV than by having satisfied customers that believe in our products representing us and the RV lifestyle."



Dodd RV of Portsmouth

4705 Portsmouth Blvd. • Portsmouth, VA 23701
1-888-598-0557 • (757) 488-2721

Dodd RV of the Peninsula

12095 Jefferson Ave. • Newport News, VA 23606
1-888-596-8251 • (757) 249-2721