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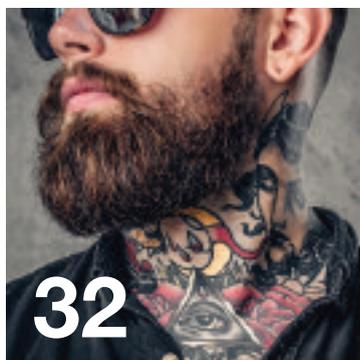
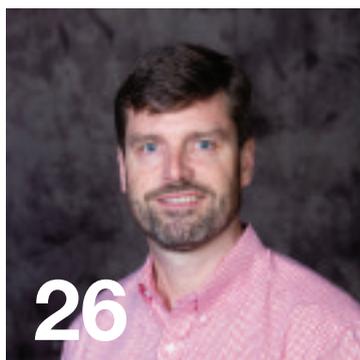
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## EDITORIAL

**GROUP PUBLISHER**, Jim Merle, jmerle@babcox.com

**GROUP PUBLISHER, CONTENT**, Scott Shriber  
sshriber@babcox.com

**EDITOR**, Josh Cable, jcable@babcox.com

**CONTRIBUTING EDITOR**, Doug Kaufman  
dkaufman@babcox.com

**CONTRIBUTING EDITOR**, Tim Fritz, tfritz@babcox.com

## CREATIVE

**DIRECTOR OF CORPORATE DESIGN**, Nichole Anderson  
nanderson@babcox.com

**ART DIRECTOR**, Kelly Gifford, kgifford@babcox.com

## DIGITAL

**DIRECTOR OF DIGITAL DEVELOPMENT & SALES**,  
Michael Madej, mmadej@babcox.com

**VIDEO PRODUCTION**, Jon Nelson, jnelson@babcox.com

## AUDIENCE DATA SERVICES

**AUDIENCE DATA AND MARKETING DIRECTOR**, Brandi Gangel  
bgangel@babcox.com

**AUDIENCE DEVELOPMENT AND PRODUCTION MANAGER**,  
Pat Robinson, probinson@babcox.com

**AUDIENCE INSIGHTS MANAGER**, Bruce Kratofil  
bkratofil@babcox.com

## ADVERTISING SERVICES

**AD SERVICES DIRECTOR**, Kelly McAleese  
kmcaleese@babcox.com

**AD SERVICES COORDINATOR**, Katelyn Mueller  
kmueller@babcox.com

## BUSINESS LEADERSHIP

**PRESIDENT**, Bill Babcox

**CHIEF FINANCIAL OFFICER & VICE PRESIDENT**, Greg Cira

**GROUP PUBLISHER OF SALES**, Mike Maleski

## REGIONAL SALES MANAGERS

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(1919-1995) CHAIRMAN



3550 Embassy Parkway  
Akron, OH 44333-8318  
330.670.1234

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# Gustafson



# Brothers

## Huntington Beach, California

by Josh Cable, editor

They say necessity is the mother of invention. That proverb certainly rings true for John Gustafson, co-founder and president of Gustafson Brothers in Huntington Beach, California, whose hardscrabble upbringing was the impetus for launching a multimillion-dollar repair business.

“When I was in high school, my dad drove junk cars 200 miles a day, and I had to keep a fleet running so he could get to work,” Gustafson recalls. “People in the neighborhood see you fixing cars and all of a sudden they’re asking you to fix theirs. It snowballed from there.”

In February 1971, necessity drove Gustafson and his brother, Frank, to set up shop in a rented two-bay garage in Huntington Beach. “We opened the shop when my dad kicked us out of the family garage,” John Gustafson says. In the early days, the brothers specialized in servicing Volkswagens, which were popular at the time. In 1989, Frank Gustafson opened an auto body shop in Lake Havasu City, Arizona, and he’s been there ever since.

Gustafson Brothers, a member of the Bumper to Bumper Certified Service Center network, has grown and flourished because the business has maintained its focus on the necessities of good customer service. For example, the shop added collision repair in 1980, because the Gustafsons “couldn’t find a reliable referral for our customers.”

## SHOP PROFILE

**OWNER:** Gustafson Brothers Inc. is a California C corp.; John Gustafson is president  
**LOCATION:** Huntington Beach, California (2 locations)  
**HOURS OF OPERATION:** Monday-Friday, 7:30 a.m.-6 p.m.; Saturday, 8 a.m.-5 p.m.  
**FOUNDED:** 1971

**NUMBER OF EMPLOYEES:** 70

**SQUARE FOOTAGE:** South shop – 25,000; North shop – 8,500

**BUSINESS AFFILIATIONS:** Bumper to Bumper Certified Service Center for mechanical; PPG MVP for collision repair; ASE, I-CAR

**AVERAGE DAILY CAR COUNT:** South (mechanical) – 30, North (mechanical) – 10; collision – 20 in and 20 out (not the same 20)

**BAY COUNT:** South (mechanical) – 25, North (mechanical) – 9 including alignment; body shop (including paint booths) – 30



“The entire evolution has been about filling needs,” Gustafson says. “We didn’t have a master plan to build it and they will come. We listened to what the customers needed and just added features and services as the needs came up.”

Today, collision repair comprises nearly 60% of the total revenue at Gustafson Brothers. For the current fiscal year (which ends May 31, 2020), the shop’s goal is \$6 million on the collision side and \$4.5 million on the mechanical side.

Six years ago, Gustafson opened a second, smaller facility in Huntington Beach, focusing on mechanical work only. The nine-bay shop – Ron Catt Auto Care/ Gustafson Brothers North – is on course for more than \$1 million in revenue for the current fiscal year.

An attractive, detailed website articulates the high standards that Gustafson Brothers has established for the business. “Gustafson Brothers is a world-class organization,” the site proclaims. “This means that we provide the highest-quality service, promptly and at a fair cost. This also means that our facility is consistently cleaner, brighter and more ‘user-friendly’ than the competition. Because of these qualities our customers choose us first.”

To help meet its high standards for quality and timeliness, Gustafson Brothers has partnered with Warren Distributing Inc. (WDI), a longtime member of the

Aftermarket Auto Parts Alliance. WDI provides on-demand delivery and offers electronic ordering via the Alliance MyPlace4Parts system, “so we can get parts at the right quality, right price and right time 99% of the time,” Gustafson says.

“A responsive parts supply chain is critical to timely auto repair, and WDI fills that role,” he adds.

Gustafson credits his WDI field rep, Frank Chesnek, for staying on top of the shop’s needs and providing “responsive customer service.”

“He understands the business. He understands our needs,” Gustafson says. “He does whatever it takes to make it happen.”

Through the Bumper to Bumper Certified Service Center program, Gustafson Brothers offers a 24-month/24,000-mile warranty on most mechanical repairs. The shop also offers consumer financing through Bumper to Bumper.

“They have a credit-card program where a guest with reasonable credit – it doesn’t have to be perfect – can get a credit card to have repairs done,” Gustafson says.

### ‘We Measure Everything’

When your goal is to be a world-class organization, you can’t leave anything to chance. At Gustafson Brothers, “We measure everything and base our bonus plans on the results,” Gustafson says.

As the president of the business, Gustafson sets the strategic vision. The leadership team – comprised of Gustafson, the general manager, the mechanical-shop

team leader and the collision-shop team leader – meets weekly to review the shop’s progress and set goals for the upcoming week. The entire staff meets monthly.

A daily sales report shows the progress toward the month-to-date goals. In addition to keeping a close eye on sales, Gustafson Brothers measures customer satisfaction for mechanical and collision work. Through a third-party service provider, Gustafson Brothers administers customer-satisfaction surveys via phone, text or email.

“And we monitor social media in the admin office a couple times of day,” Gustafson adds.

Gustafson Brothers aims to provide “a memorable experience” for its customers, Gustafson notes. As the website explains it, the components of customer satisfaction include “professionalism, courtesy, responsiveness, a neat appearance, a friendly atmosphere and a genuine concern for the customer.”

The shop leverages technology to keep customers informed and updated on the repair process. Gustafson Brothers conducts digital inspections and uploads them to the ClearMechanic app, which has the capability to send real-time photos, videos and diagrams to customers – via text or email – to explain the nature of the issue with their vehicle and make recommendations for repairs and maintenance. Customers can approve those recommendations through the app.

Whenever a customer comes in contact with a member of the Gustafson Brothers

## SHOP PROFILE

staff, it's a "moment of truth" for the business to form a positive impression on the customer. With the shop being in Southern California, the bay doors stay open – which means a moment of truth can happen any time. All technicians have the authority to speak to customers, Gustafson notes.

"That's part of our vision to provide remarkable customer service," he adds.

### Training And A Bit Of 'Magic'

Courtesy, professionalism and communication are important elements of customer satisfaction. But they don't amount to much if the workmanship isn't up to par – or if the job isn't completed in a timely fashion.

"Successful customer relations also involve providing quality products and services that consistently meet, if not exceed, the expectations of our customers, meeting deadlines and bringing projects or work assignments to completion on time," the Gustafson Brothers website explains.



To ensure that the service and repair quality are befitting of a world-class organization, Gustafson says he has tried to create "a learning culture." On the collision side, Gustafson Brother is an I-CAR Gold Class shop, and a number of auto body techs have achieved I-CAR Platinum individual certification. Nationwide, I-CAR estimates that only 20% of auto body shops currently meet the rigorous standards required for Gold Class status.

On the mechanical side, Gustafson Brothers is an ASE Blue Seal of Excellence shop and an AAA Approved Auto Repair Facility. Gustafson estimates that

two-thirds of his technicians have achieved ASE individual certification, some of them at the Master level. Shop personnel also take advantage of training opportunities through the Alliance.

Gustafson Brothers incentivizes technicians to earn ASE certification by reimbursing 100% of their sign-up fee and 200% of their test fee when they pass – in addition to giving them a pay raise.

The commitment to training is a no-brainer for Gustafson.

"The customers have a choice, and really it's the OE dealer or an aftermarket shop that is as qualified as the OE dealer," he

## A Cooperative Approach To Solving The Talent Crisis

The technician shortage has been an industrywide topic of discussion for years. It's been well-documented in trade publications such as *Shop Owner* and hotly debated at conferences, seminars and workshops. For John Gustafson, the issue hit home about five years ago, when his shops struggled to find talent to fuel his expansion plans and replace retiring technicians.

"That's when the tech shortage became real," Gustafson says.

As he thought about how to approach the problem, Gustafson realized the only way to solve it is "for everybody to participate in the solution."

"The [shortage] is across the industry, and it's truly bigger than any one person can solve," he says. "And that's what led me along this

path to think about a co-op."

Inspired by the farming co-ops that help groups of farmers get better prices for their crops than they would on their own, Gustafson concluded that a strength-in-numbers approach would be the most effective way to tackle the technician shortage. So he launched the Auto Talent Co-Op, an independent nonprofit organization with a singular mission: to unite the disparate resources in the automotive industry in a collective effort to refill the talent pool.

Acknowledging that there are shops and trade associations working on solutions to the talent crisis, Gustafson emphasizes that the Auto Talent Co-Op isn't meant to be a threat to those initiatives.

"We're not trying to steal

any thunder from any group that's working in the field. We're attempting to take the best of what they do and share those best practices with the rest of the auto repair profession, so we all get on the same page. We're all working in silos right now."

Gustafson has put a lot of thought into the most effective structure for the co-op. He doesn't see it as a hierarchy, but rather "a coalition of forward-thinking, creative people" representing repair shops, vendors, distributors, trade associations and other industry stakeholders. Gustafson envisions those stakeholders "sponsoring" members from their respective organizations by allowing them to invest one hour per week in the Auto Talent Co-Op.

The co-op is divided into five "action pods." The three primary action pods – based on their respective missions – are: defining career paths; training; and recruiting. The other two pods will seek to make the co-op a "must-have" and find ways to make the co-op sustainable over the long haul.

Gustafson would like each pod to start with five team members.

The size of the pods will adapt to the size of the tasks within the pods as the process develops and matures.

An overriding goal of the Auto Talent Co-Op is to develop an app that serves as a clearinghouse of ideas, guidance and resources for industry stakeholders. One vision for the app is to connect automotive



says. “So our role is to be as qualified as the OE dealer but still have the ability to be a neighborhood shop and service a fairly wide range of makes and models.”

Gustafson Brothers has devised a novel system to ensure that jobs are completed on time. It’s a magnetic whiteboard that Gustafson calls the “Magic Scheduling Board,” and it serves as the central nervous system of the 25,000-square-foot facility (also known as the South shop).

“We developed it out of necessity, like everything else,” Gustafson says. “We needed a way to keep track of all the jobs,

and we had used paper-based schedules forever.”

The board is divided into rows and columns. At the top of each column are the names of the technicians, divided into teams. Multiple jobs are assigned to each team.

When a service advisor gets a repair order, he writes it on a 3-by-6 magnetic card and hands it to the “dispatcher” – the manager of the mechanical shop. The manager assigns the order to the appropriate technician based on the tech’s workload and ability, and depending on when the job needs to be completed.

“The magic part is every color on that board has significance,” Gustafson explains. “... Once the team understands what the colors mean, they can communicate non-verbally.”

Gustafson Brothers has a lot of things working in its favor – a visionary leader, a highly skilled team, a well-articulated mission and the support of WDI and Bumper to Bumper. But Gustafson admits that “just being in Huntington Beach is an asset too.”

“We’re in a really good market,” he says. “Great people. We’re a mile and a half from the beach. It’s a nice part of the world.”

### **Giving Back**

When Gustafson steps away from the business someday, he hopes to devote more of his time to championing the Auto Talent Co-Op, a nonprofit organization he created to tackle the technician shortage. He launched the co-op several years ago after seeing firsthand that “the candidate pool is pretty slim.”

Gustafson Brothers offers “Auto Boot Camp” to get young people interested in a career in the auto industry and teaches classes on detailing and smog-check repair and inspection for adults. But Gustafson believes the only way to solve the talent crisis “is for everybody to participate in the solution.”

“In this whole process [of creating the Auto Talent Co-Op], I’ve discovered that there are some fabulous things happening across the country, in silos,” Gustafson says. “To refill the talent pool, it’s going to take more than just talking about it. And it’s going to take more than just a few people in a few markets working on a solution.

“... The purpose of the co-op is to gather information on the best practices for each market and share it with the rest of the country, with the rest of the auto repair community, so we get on the same page and refill the pool of candidates.” ✕

employers and prospective employees in various ways, such as enabling shops to “ping” the pool of employable people when there’s a job opening.

The Auto Talent Co-Op isn’t Gustafson’s only initiative aiming to cultivate the next generation of technicians. Gustafson Brothers offers “Auto Boot Camp” for 13- to 18-year-olds, which introduces young people to the various career options in the automotive industry, from manufacturing and distribution to sales and service. In addition, Gustafson Brothers offers training classes for adults on auto detailing and smog-check repair and inspection.

While Gustafson clearly is doing his part, he’s quick to point out that “we’re just one shop in one market.”

“We’re operating in a silo, but I would like that to change,” he says. “By the time I’m out of my career [as a shop owner] and I’ve established an Auto Talent Co-Op and we have a pool of candidates shops can draw from, then I will have succeeded.”

For more information about the Auto Talent Co-Op, visit [autotalentco-op.org](http://autotalentco-op.org), and look for more coverage in future editions of *Shop Owner*.