



J.D. Creaghan Group Inc.  
Performance Solutions  
for the Human Side of Business

Case Study:

## Automotive Services and Suppliers

# Building a high performing culture in a low pay, high turnover industry.

### The Business and its Environment

Tirecraft is a firm in the automotive-supplies industry, with 95 locations in Ontario, of which 25 are corporate or partnership locations. While Canada's industrial sector has been under pressure since the 2008 recession, and major competitors such as Canadian Tire are not expected to outperform the TSX, Tirecraft has succeeded and has recently expanded, by making acquisitions of competitors.

"I feel more confident that I can do everything necessary to make change happen for the betterment of our clients, our team members and the overall growth and direction of the business."

- Jason Meyer, Director, Corporate and Partnership Stores, Tirecraft

A challenge for the automobile-service sector is that the public is skeptical about the integrity of the industry. People consider tires to be a 'grudge purchase'. For business success, much comes down to the relationships that staff can build with customers, yet traditionally in the industry there is a high turnover of employees. Companies struggle to keep experienced staff members who can work knowledgeably for clients.

To address this issue, Tirecraft has put the attention on the customer's experience at their sites. This attention on clients is carried out through the store layout, each being organized around one front counter where all service delivery takes place, but most importantly through the staff.

Tirecraft's distinguishing attraction for clients is their staff's knowledge base of automotive supplies; for example, they are experts in every brand of tire. They don't need to do what others do, which is to rely on what happens to be on hand in inventory. They can understand the client's needs and supply them with the exact product they need.

## The Company's Goals for Working With J.D. Creaghan Group Inc.

While beginning succession planning recently, the company's ownership wanted to take the company to another level and improve the organization. The aim was to become the employer of choice, improve morale, and attract and retain the best employees. They needed to identify talent within the organization and build leadership talent to the highest level.

## J.D. Creaghan Group's Approach With the Company

Jonathan Creaghan, president of J.D. Creaghan Group Inc., took the approach of identifying those with most leadership potential. Doing so would enable the company to work on developing these leaders for succession to senior roles. All the executive and managers completed the *Leadership Stages Assessment* about their own and others' leadership. The results were analyzed to show the level each of the participants attained in five leadership categories. Each participant then had the opportunity to review the results with Creaghan and make a development plan based on their current situation.

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Key managers were then brought together into a single classroom to take the *TotalLeader*<sup>®</sup> program, an intense process designed to raise the bar of leadership effectiveness. Together, they discussed the level of leadership that the company required, identified common issues across sites, and practiced how to handle various employee scenarios.

In this way, the training began with the top. Once the executives were trained, the training carried on through to store managers and the key personnel in the original 15 stores and then to the front-line service advisers, who create the customer experience and who can directly demonstrate to them the learning they gained.

## Benefits Seen by the Client

### Staff Retention

Reduction of turnover was most clearly demonstrated by the retention of a high proportion of employees at newly purchased sites; the company gained not only inventory and equipment but also experienced staff. Jason Meyer, Director of Corporate and Partnership stores said, "We were able to retain 90% of the new staff. Our philosophy is not to buy just assets and inventory, but also find and retain great people. Without great team members there is no business."

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This improves customer service in the long term. Every new employee requires training time, which is non-productive time for the company, both in terms of new employee mistakes and of existing employees who have to coach or mentor them. The value of the Total Leader training was reduced turnover, which reduces training time, lowers cost of errors, and subsequently improves customer base. Meyer continues, "Mistakes are expensive and in this highly competitive business client satisfaction is what we build on."

### Management Professionalism

The company found that by training the management with the Total Leader program, management was able to improve the company without the strain expected with fast growth. The company is now financially healthier and has expanded to 25 stores, with an average of ten employees per store.

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Managers found the program to be an excellent development tool for dealing with the inevitable employee crises that can occur. When someone has an issue, the trained managers see themselves as a different set of eyes, someone who can help the person in place to try to fix the problem. Jason Meyer gives an example: "In one case a manager sat with a team member who was thinking of leaving, and simply took some valued one-on-one focused time with him. He was very appreciative that someone cared, genuinely listened and wanted to make the situation better. He decided to stay with the firm."

Meyer continues: "For our culture shift, we solicited and obtained staff opinion, and included many of the ideas they presented. Setting the context, and then inviting suggestions was the secret; changes are much easier when you have buy-in and the parties involved are part of the process."

### Personal Development

The training aims at personal development as the key to good leadership. "The ease of making decisions and making the right decisions is what I noticed", says Meyer. "The decision-making process is quieter and involves less guesswork. I feel more confident that I can do everything necessary to make change happen for the better of our clients, team members and the overall growth and direction of the business. We learn to try to find the good in everyone first."

## Culture

Creaghan's pamphlet, *Beyond*, says, "Beyond first impression is lasting connection." Inspired by ideas such as this, Tirecraft has undergone a culture shift over the last three years. People start to notice small changes, for example, in attitude. If a problem comes up, "How can I bring a solution?" becomes the general approach.

"Change happens quicker and easier," says Meyer. "Within a site the culture is more cohesive. There is a sense of the company improving. With this, people are more likely to engage. New staff were skeptical at first but then they welcomed it."



## Company Website

[www.tirecraft.com](http://www.tirecraft.com)

## NAICS Codes for Tirecraft

44132 – Tire Dealers

44131 – Automotive parts, accessories and tire stores

## Case Study Author Information

**Murray E. Hunter** (MA Social Research) is widely published in the area of business process and design.

## For More Information

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