

Transcription - Daniel Hakim Part 1 Making Your Passion Your Business

Welcome back I'm Kim Baillie, she's Fulyana Orsborn and this is Inside Exec. Today we are talking with Daniel Hakim. Daniel is the owner operator, head honcho at Advance Tyres and Auto in Sydney and Fulyana is going to introduce him.

Daniel, thank you very much for agreeing to be a guest on our show. I really like the idea of what you've done and sharing this with others will be very, very helpful for our listeners. Daniel's business, as you might very well be aware, is operating in a highly competitive retail and wholesale environment. What Daniel is known for is his ability to provide extremely high level of customer service, meeting and even exceeding customer needs and making sure that all the products and services are of the highest quality, securing the best prices so he can provide good prices for his clients.

He does that with a team of about 10, is that correct? Yeah. And those, they work really, really well together. We're gonna cover a fair bit about how that goes in a minute. But basically the team culture, the performance and the feedback from the clients is very impressive. It's actually led to Daniel and his team receiving a number of industry awards as well. So again, thank you Daniel, Thanks for having me.

Let's talk about your tips for customer service and while we're talking about that, how do you go about that? You know, if you can give us an idea of the demographic, the age. We'll just have a break from it because, we're all laughing because the phone's ringing again. We've been trying to get this started for about an hour and that gives you an indication of actually how

busy the business is. We came at the end of the working day, of what we all thought was the end of the working day and it just seems to have continued on.

I think that that's an interesting concept for us to actually talk about. Is that how do you draw the line? How do you say this is the end of the day and stop? Is that a question for the family would you say? And what I would say is different there, but there really is no point where the work is finished. You need to maintain the passion for what you're doing because that must be trying. Putting the family aside and just look at you and the business and the responsibilities that you carry, how do you maintain the level of interest in the business?

I think you know you have to be driven to go in, but I think you keep raising the the bar, how high you want your business to be or what it is that you're trying to achieve. I think, you know, you set goals and then if you reach them, then you find you move them without realizing you move them.

So you're pushing, you're doing all day at the workshop and then it's hard to explain over a conversation like this unless you're there, but you know, it can be like a war zone during the day, but it becomes out of necessity. You obviously like the environment in which you work, not just the tussle of it, but the vehicles themselves making sure that everything is done right.

And I'm looking around as I'm talking and there's pictures everywhere of Daniel participating in industry days and stuff like that. So you obviously have that passion as well as the business passion. I think any industry, the people that go into it

have to be passionate about whatever that is. We were passionate there so that, you know, all that stuff that we do around work and that, was all byproduct of having empathy, you get into this event day or something like that. It's all because we're already there, you know, it's not something you don't go in it to do those things that just sort of fall into your lap along the way and yeah, you just sort of get swept up with them.

You know, it wouldn't matter what it was to do with cars, we would be interested in our particular likes, or we'd still go, we still want to participate, you want to see what it's all about. Not just myself. But do you do that because the technology of the cars or, not technology in terms of computers, but the advances in the cars, changes in the cars, the changes to the way they look or is it just something that is about cars? I just want to be around cars. We are lucky. We could say we're going to hang out with so and so, there isn't a point where I don't think about cars, but you still take time to do other things, you know, and then, you, it's like anything, if someone's interested in that you will come back here again.

You might want to avoid doing it, doing out of work things. Then, you know, you get bored. You got a car show, you gotta have a question about that because I'm really interested in hearing about the team. You've had teams around you for some considerable time. You've been in business for a long time. So that's along the line, which for our listeners means that he was a young, young man when he first bought a business. And that meant, I know, for a lot of the staff that he inherited when he bought the business, were older than you were. I think, you know, three people plus myself. So four in

the workshop.

Times were different then and how business was done then. And that sort of business we were doing was different then. That just gets back to necessity. The necessity that there was no choice whether it's whether or not you were going to turn up to work or whether you're gonna have to push out, you have to, you know, you have your whole life and I wanted to, there was never any doubt that we're gonna have to, you know, no illusion that we're gonna have to work hard in our industry.

In the early years you had inherited a team that was working for you. They were a team who had experienced you in a different role previous to you owning the business. And so there was adjustments. That was true. I mean we went from people I've worked with for years and we were friends. So we had to graduate from separating from being someone's friend to being their boss and still being their friend.

And how does that challenge you because there's all sorts of people impacting those. It's very hard, it's a very hard thing. You know, you want to have compassion and stuff but then you don't want to get walked over, so you have to set boundaries and stuff. I mean I was lucky with the people that I inherited with the business. I don't know whether it's something that all industries face. We are facing a massive skills shortage in our industry. Anything service, automotive related, talk to anyone who's in that field, they will tell you that there's we have 50% shortage of staff., There's not a workshop you're walking into that's not looking for someone.

So in that sense, because I was thinking on the way here, you

would know who's working do you head hunt? We have in the past and we do, it's not the easiest thing to do because you'll end up paying and you'll bring in someone with the wrong attitude. So you can only head hunt with the right person. You know, we learned over the years, it was much better for someone to come to you because you can set the right boundary, you can set the right attitude for that person coming in.

If you head hunt someone, unless that person has the right qualities, it goes to the records. Do you give them time to work before you make the decision? We've tried all sorts of things in our industry has because we have a lot of young people, a lot of people are tyre fitters delivery drivers and stuff like that. It's not often a permanent career because it's long hours compared to other things, even though you'll find most city workshops Melbourne and Sydney, all the big areas will be paying a lot more. Especially in the busier metro parts, they will be paying a lot more for their guys than some of the regional areas because you have to, because their cost of living is high and to get them to wherever you are is costing them money too.

So you have to pay more to get people. But we've tried all sorts of things over the years. So you know we tried stuff where there was pre made settings so you have preset questions and you can adjust them, you could also find someone who was working nearby who had interacted with them come to you or you go to them, you could see someone working in another shop and think well this guy's okay, he'll be fine here or not or vice versa. We're really just getting rid of all that and we just put them on and see what happens. You

know, it's one of those things where you don't know how they will deal with the rest of your team, your particular shop, the pressures that are here that it might be different to other shops and you just put them in and see how they go. And there's no hard feelings, we're open with them, you can try and we'll try and find a spot to fit.

I see my role and the role of our store manager here who has been with me a long time, more like the coach of the football team, you've got to find someone's strength, weakness and put them in the right position in your business.

So you give him those jobs, another guy this, don't give him that, just find a way to make them fit. There'll be something you don't like about the way everyone works and you just have to work around that and just find the spot if you have it and then personality. And I remember there's no recipe or design for that. It's just, it's just a trial and error thing. Just try something and it doesn't work, you try something else until that person is very happy too.

What I'm hearing is that you're actually tolerant to the person. So yeah, you know, using that approach by being the coach, the captain to help them. So to me they come in with some sort of skills and then they go with a lot more when they leave because we have a lot of different positions in the business, repair workshops, repairing cars and servicing cars. We have, you know, fitting tyres for retail, we're also wholesaling tyres, so there's many different different aspects to a business.

So someone who comes in as a mechanic, they've done an apprenticeship, they've got a minimum of four years experience in a few places and they'll find that the more

someone moves around as a mechanic, they might do tyres at one place or something else, they pick up different skills at each shop. So I had guys over the years that have been with me when they were young, they left the industry then come back and they bring with them different work attitude and a whole bunch of different skills that they've picked up and they can then add that to the skills that they have here.

That's really great. Some have left us or come to us fresh to the industry, a tyre fitter here left and came back as a sales person. They have the experience of working on the car and fitting the tyre and they know what that takes. They know a lot more about it than someone who you get who's just done sales. They become salespeople, they become good salespeople, you get to know the whole business and understand what their clients need from start to finish.

So in that sense when you're looking at the turnover because you talked about the turnover in the industry, that doesn't worry you? It worries us a lot. I mean, the biggest problem we have in our business and just in anything automotive service related is getting enough staff, and getting good staff. It's still really a young person's job. The problem with jobs especially if you're a stock picker or all those jobs that we have, where they're not, they're I guess they're not the job that the five year old version of that person thought they were going to be doing when they grow up. So it's not, it wasn't their dream job, it's something that they've fallen into due to their circumstances. It has a stigma to it that only attracts certain type of people. And it also is only a job for a young person, especially in a busy shop. I guess if you have medical problems or if you aren't fit, you physically can't do the work and it's not something that

can be tailored around you.

I mean it's heavy work, there's no way that you can physically get clean, it's a dirty job. You know with other dirty jobs, because it's one of them, and there's a lot of appeal for a lot of young guys that do it. A lot of them are just happy to be and they like working with other guys in a more relaxed environment. Whereas, you know, they might not do so well in an office or something. Compared to other labor intensive jobs, they do get paid well, you know, and they get guaranteed hours, you know, if their labor is on the job site or if they're, you know, they're painters or whatever that's all weather dependent. You know, they don't have that problem. They know what they're gonna get paid every week. They can support their families a lot of times, there's sort of people that work hard, play hard. That's just the type of person that is attracted to the industry.

You get a lot of good characters and you know, we have a lot of fun. How do you have fun? The aspects of the business? It is hard work and long hours. So how do you socialise here at the shop? What we're trying to do is, you know, yes, it's serious and yes, we have to be professional, but we don't have to hate what we're doing. This is not your dream job, but this is what we were doing. You don't have to hate it, we can have fun, you know, whether it's just a bit of horseplay when we're not busy and stuff like that But we will socialize after work and do something and then find something to do, whether it's just going out for a night or whether it's we're gearing up the time to race at the drags or something like that. We find some way of bonding as a team and and we do it and it keeps people motivated. It's not, you know, it's not just a 9-5,

just just work hard, all get along.

We did hear a very sad story about some offshore fishing didn't go down well with you. Yeah, we got some guy, then the picture of his boat on the brochure was not what arrived. Not off to a fantastic start and I've never been as sick in my life. I wanted to be taken back to shore and do whatever they wanted, I just wanted off the boat. So the rest of the week, the joke was picking on me.

When you first made the decision to buy the business, the comment from your boss at the time was that staffing would be your biggest issue. You know, we're blessed that we have a great area and we have great customer base that are genuinely nice people. We're in an affluent area. That's the biggest problem we face. Mhm. The cost of real estate. We need a lot of space and because of where we're situated in Sydney to have someone who will take the jobs that we have on offer, they've got to travel. They can't afford to live around here, prices range around \$2 million. So many mechanics, they've either got super high rent if they've living local or they've got a house share and stuff like that. Or even if they're getting paid well and we do pay them well, you know, it's still the rest of their day to leave and drive for an hour and then drive home. There's got to be more than just the money they're coming for.

You did say that this is an area and you've got a good customer base, but you are in an area where there are a wealth of competitors. Yes, so probably in this area, even though it is the more affluent area in Sydney, it is also the cheapest place that we have the highest level of competition.

You wouldn't think so, but the level of competition around here, because of the amount of them comes down to logistics of carrying stock.

So tell us about managing that. Where we're sitting is a small footprint by comparison to the size of stock that I know that you carry. Yes, I have not had any formal business training or anything of the sort. So it's just been a trial and error thing. As the business grew over the years, we just kept all the money that we made over the years. We've poured it into the stock and the vehicles have changed. When I first started here 20 something years ago, we didn't need to keep a lot every year. We could buy a relatively stable component. There was much smaller footprint vehicles.

So now every vehicle, every model is different. There's so much variety. There's so much variety of vehicle. So normally you have to hold a lot of stock just, I mean every retail shop will have the same problem if someone rolls in, they expect to roll out and now I can't have them come back the next day or order this and that, you'll miss that sale.

So you have to hold a lot of stock just so that every car that drives in, it might not be the brand or the particular tyre they had in mind, but you can offer them something on the spot. So asking, it has to be hard just for that. And you know, we're in an area where there's a lot of other repairs and car dealers and there's a lot of wholesale stuff we do and then we run a massive amount of stock and you keep them. We've gotten better at it over the years. But I mean each year we run, we find better ways to warehouse.

Having started we would always buy more than we could hold. So, you know, we would buy it and then worry about where we're going to put it as it started arriving. So if that meant it stayed in the truck, if it went to my house or if they were in the showroom or if they're in the stairwell. We now have, we have to, we have two warehouses plus the retail store that we can hold stuff, you just get more disciplined with your buying. So you get to know really the balance that you're not going to overstock so much that you're wasting.

A proper business person will tell you you need to turn your stock over a six week period. That a line can't be in stock more than six weeks otherwise it sat there too long. We try to predict what we're going to sell, but then we also take advantage specials or availability. It's actually stock available in the market and we'll hold, you know, that means if we've got to hold it for six months, it will sell. And that's the only way that we can, that we as an independent dealer, can be competitive against the next big chain stores that have got national reach so they can buy on a national level, can approach manufacturers at a national retail level. You know, we're one stop.

So you know, the only way that that someone like me can compete against them is I'll have it here. So if the car rolls through Hornsby and they might visit five shops, I'll have the stock. And that explains why you get so busy because clients get to know that not only that we found out the other stores that well, especially with rather than letting that car leave their premises, they'll hold it there and call us or call someone who does a similar business model as ours and we'll try and get something there on the spot. We offer that service so you

know, we deliver tyres like people deliver pizzas, you have them rolling through all day, just taking orders all day and just get them out there as quick as you can to all the other shops.

So you know whether that be the little petrol station where they turned up and they just want something on the spot or if it's a massive place, it comes back to the logistics of running this business across so many areas of responsibility and managing the people. Added to that is the Sydney traffic. If you look outside there's a truck loaded there now, so when we finish up here, you know, we'll wait another hour, then go and do that run into the city because if I send someone now, if I send someone at midday, it might take 5.5, 6 hours turnaround. We can go now, we can be there and back in an hour and a half.

Moving forward, any city based business is going to have to and they already are, we're working out of hours because you have to yes, we cannot send a truck into the city and have it come back in six hours. That's a good example of what you said earlier in your end of the day when we talked about that there is no end of day.

If we were quiet and we had someone we could spare for the day, we could send that run in and take that loss during the day. As it turned out, today wasn't that day and we have arrangements with our customers we've got, we've set up all sorts of things where we have drop off points and stuff so we can. They'll have a locked room that we have a key to, other businesses where we can go and deliver out of hours with them, a lot of places it suits them. We have a lot of trucking companies that we sell to who work at night. So they're doing the same, they've got their trucks running all day and then they

have a workshop open all night. So they work on their own trucks, we will deliver the tyres at night. That's when they want us there. They don't want us there during the day, there's no one to take the delivery and so we're finding ourselves working almost 24 hours because that's what the customer needs.

Let's move on a different tack and look at the promotion of the business and a little bit about online stuff as well.

So first of all we might do the online stuff. First of all, do you have an online presence? So we basically don't have any at all. Very small website. All of our business networking when we have done things like google adwords and stuff like that where you know, we might have had a tyre manufacturer or special and we're included in it, we find it just, it just melts the phone. It doesn't necessarily put cars in the workshop. The referred work is so much better than trying to win it over the phone because you're in a price war to get the person here, you're basically paying them to come here for the ads. We still can, because of volume, make money through it, if you had to give it away over the phone.

Well they're not getting it all the time and depending on what work we have at the time as to whether we take them, you know, if you've got to pay someone all day to answer those calls, it becomes unproductive. And then you've got to do the actual work. So it's not like, you know, you're just handing them over something.

We're going to take a break now in our discussion with Daniel about how to make your passion into a business. For the moment, I'm Kim Baillie, she's Fulyana Orsborn, we're talking

with Daniel Hakim and this is Inside Exec.