# ATD Shares Its Vision With Its Associates - And MTD

#### Business

When Stuart Schuette took over as CEO of American Tire Distributors Inc. (ATD) in January 2016, he had one goal: "to drive the innovation necessary to continue to grow the business and exceed our customers' expectations."

He has not wavered from that goal, despite Goodyear Tire & Rubber Co.'s decision to drop ATD as an authorized G3X wholesale distributor in April in favor of TireHub LLC, its joint venture with Bridgestone Americas Inc. Although the relationship has changed, ATD will continue to sell Goodyear products to retail tire dealers who want them. (Goodyear, Dunlop and Kelly are no longer listed as product offerings on the company's redesigned website.)

"First and foremost, our purpose for the company... is to help our customers thrive and drive into the future," said Schuette. "It is literally about our customers and helping them win regardless of wherever the marketplace goes."

At its first North American Business and Innovation Summit, held in Dallas June 22-24, 2018, Schuette discussed the company's vision with 1,200 of ATD's top leaders. He also introduced new innovations, and explained how those innovations will support dealers.

The summit, originally planned for the end of last year or the front-end of this year, was not a reaction to Goodyear's move, said Schuette. "We had been working on doing this launch to bring folks together to talk about our strategy and our vision for the company, and what that all means."

In an exclusive interview with *Modern Tire Dealer*, Schuette talked about not only the importance of the summit, but also the focus of ATD's dealer-first mentality. He said in order to help its customers "continue to be at the forefront of the consumer trends that exist out there," ATD needed to first answer three questions:

- 1. "How do we continue to drive traffic to them so that they can participate wherever consumers go and do that profitably and successfully?"
- 2. "How do we help them save money? That is, how do we help them drive their own profitability? There are a number of things we can do to help them with that."
- 3. "How do we make their world easier by simplifying things?"

Schuette said ATD went a long way toward improving its relationships with its retail customers last summer, when it split its field organization into two pieces, one emphasizing the sales side of the business and the other the operations/supply chain side.

"We wanted to create more time and more capacity for our organization to spend time with customers -- serving their needs, helping them be successful," he said. "What we found is that under the old traditional model, where the folks had both the responsibilities for the operations of the organization and the sales side of it simultaneously, there wasn't enough time for them to get out into the markets the way that we wanted to show up and (provide) the customer experience that we wanted to have for customers across America."

That also could involve expanding the business. ATD has 146 tire distribution centers in the U.S. and Canada. A million-square-foot mixing center based in eastern Pennsylvania will be supporting the Northeast Region by the end of the year. In addition, ground has already broken on a facility in Pensacola, Fla. "We have a pretty extensive network of locations today, but that doesn't mean we wouldn't look at acquisitions that come available (if they are) a good fit for us geographically and make sense strategically," he said.

Schuette also discussed two innovations he shared with associates at the summit. The first is Traction, an iPhone-based tool set that essentially makes the whole delivery experience paperless. He said ATD received great feedback from dealers following the pilot program.

"Traction makes our customers' interaction with us completely digital and paperless. Credit memos, adjustments, all that stuff gets handled right on the phone and is signed off and digitized for them. It makes their world very easy.

"A new data-driven training platform also was announced. It allows ATD to give "micro-training -- five to eight minutes training -- to every associate in the company once a day."

The natural extension is for ATD to adapt the program to help its customers train their people, especially millennial employees.

"It's a pretty powerful technology," said Schuette. "And it's got analytic engines behind it that measure how much knowledge a person has based upon what we're trying to teach them."

Thanks to its "suite" of value-added services, Schuette said ATD has become more than just a tire distributor to its customers -- and a strong partner to its suppliers. "We think by virtue of what we do, we can really help the manufacturers connect... with these customers as well in ways that have never been thought of before."

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