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RETAIL

## Growing and Investing in Gills Point S

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Joy Kopcha

Four years ago, Gills Point S Tire & Auto was a family-owned business based in Oregon, with 17 stores. Since then, the company has quadrupled in size and leapfrogged from the Pacific Northwest to the Northeast, adding locations in some states in between.

But President Eric Gill insists the words that described his business in 2020 still pertain today. "We're still a family-run company," he says.

Oregon is still home to Gills Point S Tire & Auto and Gill continues to believe in the Point S brand and the advantages of belonging to the Point S USA cooperative.

Yet Gills Point S Tire & Auto has grown to encompass 71 stores throughout 10 states. And Gill isn't shy about wanting to continue to expand, though he no longer assigns specific store numbers to his goals.

“I still remember telling my kids that when I got to 10 stores, my dream was to open a restaurant. So I got to 10 or 11 stores - and this was obviously was a long time ago.”

His children asked, “Can you open a restaurant now?”

He said no.

“I’m wiser now,” he says. “Tire stores are better.”

## **‘Doing our own thing’**

The growth at Gills Point S Tire & Auto has come as the larger Point S USA cooperative has worked to extend its brand, too.

The group is on a quest to have 500 stores and cover all 50 states by 2028 and it achieved a new record with 69 new stores last year. Fifteen of those locations were due to the growth of Gill’s business.

He’s long been the largest Point S dealer in the cooperative's U.S. network and for many years served as the chairman of the board.

“I’ve spent my whole life growing both this company and Point S,” says Gill, who adds that the cooperative offers different tools and assets to tire dealers of all sizes.

“I think everybody who’s part of Point S takes what they want out of it. Some people who are brand new really like it for a buying group.

"If you’re one store, I think they bring a lot of value to buying. Or if you’re a couple of stores and you really want to have a branded concept, they bring great value to somebody that kind of wants to glom onto all the branded assets we have.

"And then (for) someone like us, we’re fully entrenched in the Point S brand. What it brings is both an opportunity to network with other dealers who might want an exit strategy, and ... (it) can still bring us buying opportunities.

“They’re part of TAG (Tire Alliance Groupe Ltd.), which I think is (a) very important part of our product mix. And even though Nicole (Ferriter, the director of marketing and customer experience for Gills Point S) is like a rock star, it’s still hard to do

everything. We don't have a 13-person marketing department. We've got Nicole, so we lean on Point S and their relationship with their outside marketing company (for) branding support.

"The machine works, so why do I need to reinvent the machine? Sure, I could make it say 'Gills Tire,' but I haven't figured out why I would."

When Point S USA leaders preach the gospel of the group's benefits, they often hone in on the fact that independent tire dealers remain independent owners of their businesses after they sign on as members.

"We're required to brand, but they also give us latitude that if we take over a store like Budget Tire in Michigan, we don't have to rebrand in the first 30 days. We have time to rebrand it. Our intent is to rebrand stores as Gills Point S."

Gills Point S acquired Budget Tire, a five-store operation, in late-2023.

That same year Gills Point S acquired Hogan Tire Co., another five-store business with "a very strong brand" that Gill described as a dominant player in the Maine market.

As a result, the company has taken its time with the rebranding efforts. "It's not like we had to figure it out and get this done in six months," he says.

As the Gills brand has expanded, it hasn't moved in a straight line from one state to a neighboring state. Ferriter said that brings in another advantage of the larger Point S group.

"In 2020, we jumped from Oregon to New England, but we're not in 50 states. So I think one of the other big benefits is we still have that national footprint," and can show consumers in Oregon that they can get Point S service whether they're in Idaho or Montana.

"We still get all of that warranty power that Point S is bringing to the table," says says. "It's really a good relationship and it's a benefit to our customers, too."

Gill says he thinks there's a lot of opportunity to attract tire dealers who "want to stay independent and that's what we continue to support — doing our own thing."

## **Sellers are buying in**

That independent streak remains a big part of Gill's own business. And it's a big piece of his recent acquisition streak.

Gills Point S Tire & Auto has taken on equity investment and in 2023 collected about \$1 million of "gold equity or employee buy-in," he says.

Members of the company's operational and support teams have invested their own funds into the business, including regional, district and support staff. (Gills Point S classifies anyone who doesn't work directly in store operations as its large support staff, so that includes people in accounting, marketing and human resources, as examples.)

Store owners who have sold their businesses have also invested equity into the Gills Point S Tire & Auto business.

"We have six or seven ex-owners all having true, legitimate equity," says Gill.

Some choose to retire, but still invest. Others want to get rid of the headaches of daily operations, so they sell but join the company.

Ferriter sees that flexibility as "one of the key drivers of success with how many stores we were able to bring on last year.

"What's going to work for you? You still want to be involved in the day-to-day? Great — there's a pathway for that. You want to retire and you're ready to hand over the reins? Great — you've got a support team here that can take that in and get you ready for that."

There are also people like Jared McDermott, a former owner of L.P. Anderson Point S Tire and Auto Service in Billings, Mont.

Ferriter says McDermott felt maxed out running two stores and was questioning his plans for the future. He knew he needed support. He sold his business to Gill and

Ferriter says McDermott “kind of fell back in love with the business. I think it makes us really different.”

## **‘We work for the stores’**

Offering those options has pushed Gills Point S to expand and invest in its back-end office operations — the teams that support all stores.

“My number one goal is to continue to build my leadership team and my operational team to be the best in class because I just want to make sure that we never have to feel like (we aren’t) in control of our destiny,” says Gill.

“I want Nicole to make sure in three or five or 10 years that if I decide to retire, someone would look at us and say, 'Well, I want not only that business, but I want Nicole and I want James and I want Jim and Bob.'”

Gill wants to build and maintain an efficient, effective and professional “A-team.” That’s one reason his business is structured around store operations.

“If they’re not making these (store) guys’ jobs easier, faster, quicker (and) more profitable, we’re failing.”

But Gill has also learned a hard lesson in recent years with his team.

“We lost one of our key employees during COVID — one of my operational, jack-of-all trades. He could do IT. He could do operations. He was worth four people. When he unfortunately passed away, we had to re-evaluate.”

It was going to be impossible to replace the man’s institutional knowledge. But the company also needed to focus more resources on some of the roles he was filling.

Gills promoted someone to focus on IT functions and has since gone a step further to hire external IT service professionals. Realizing and accepting that he’s needed to outsource some of those functions has been one of the most difficult steps in the dealership's growth journey.

But in the end, Gill says it comes back to the basic concept of continuing to operate Gills Point S Tire & Auto as a family-run business. He says it boils down to a three

## pillars:

- “We is greater than I.”
- “We figure out how to say yes,” not just to customers, but to employees.
- “We’re committed to growth,” which goes for employees, as well as rooftops.

—“External hiring is really hard, so we’re putting a lot of money into our current employees,” says Gill, with the expectation they’ll continue to grow in their skills and expertise and contributions to the company.