

The Rusnak Difference

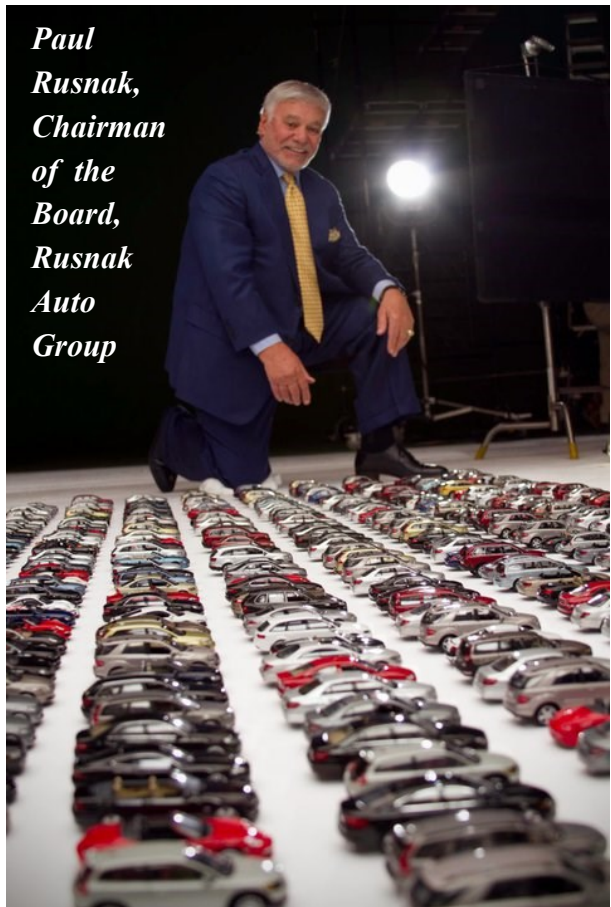
By Rick Weinberg, California Business Journal

All it took was one year. No one could have – *or would have* – predicted it. It was too far-fetched.

Yet one person did -- Paul Rusnak.

Both visionary and patient, Mr. Rusnak has an uncanny sense of opportunity and converting it into success. Just one year after The Rusnak Auto Group took over Jaguar Land Rover Anaheim Hills, the dealership has become one of the top sellers of Land Rovers in its market, which includes Southern California, Arizona, and New Mexico.

Considering where this dealership was only one year earlier (Rusnak rescued it from bankruptcy following a successful court adminis-



*Paul
Rusnak,
Chairman
of the
Board,
Rusnak
Auto
Group*



*Victoria Rusnak, President,
Rusnak Auto Group*

After just one year under the Rusnak Auto Group umbrella, Jaguar Land Rover Anaheim Hills has become one of the top-ranked dealers for Land Rover sales in the Southern California market.



tered buy/sell with the previous dealer principal), it is as remarkable a turnaround as the 2013 World Series champion Boston Red Sox, who finished last in 2012.

To begin to analyze the meteoric rise of Jaguar Land Rover Anaheim Hills, you have to go back to the beginning...

It is September 2011. The auto group that owns the Anaheim Hills dealership files for bankruptcy. The store is a colossal mess. When employees arrive at work, they aren't sure if the doors are going to be open or locked up. They're not even sure they're going to be paid. Morale is at rock bottom.

Enter Rusnak, the legendary businessman and automobile dealer. He decides to join the bidding for the dealership, hoping to roll it under the umbrella of his highly-respected Rusnak Auto Group. With 50 years of automotive experience and 15 luxury franchises in Southern California, Rusnak is considered to be one of the most marquee and iconic names in the industry nationally. The company, after all, offers the best of the best: Rolls-Royce, Bentley, Maserati, Porsche, Jaguar, Mercedes, Audi, Volvo and BMW.

But what Rusnak lacked was a Land Rover dealership to add to his dream of having the world's most prestigious vehicles in his stable. When one became available in Los Angeles several years ago, he didn't get it. So when

Jaguar Land Rover Anaheim Hills was up for grabs, Rusnak wasn't going to let it slip through his hands.

After months of negotiations, the deal was done September 10, 2012 -- Rusnak was the new owner of the Anaheim Hills store.

The next step was hiring a General Manager -- and Sven Larson was the choice. Larson is a highly-experienced automobile sales and marketing expert who had been employed by Rusnak from 2000-2008. He was previously GM of the Rusnak Audi dealership in Westlake Village and was GM of Santa Monica Audi when the new opportunity with Rusnak came up.

When Rusnak offered Larson the Anaheim Hills GM job, "it took me about two seconds to say yes," he says with a laugh.

"I saw it as a great opportunity and challenge," Larson adds. "I liked the challenge of taking a store in bankruptcy and putting it back in busi-



***Sven Larson, GM, Jaguar Land
Rover Anaheim Hills***

ness and back on the map.”

For Rusnak, reeling Larson back into the organization to run Anaheim Hills was important for a number of reasons.

“With Sven, we know that we have someone who truly understands the 'Rusnak Standard,’” says Victoria Rusnak, President of the auto group. “We expect all of our leaders to hold themselves and their teams accountable to the highest possible ethical and legal standards.

“Since the store culture needed to change completely, it was important to me and my father that we had someone we really felt had a high level of integrity and someone who led by example.”



Day 1 at Jaguar Land Rover Anaheim Hills was surreal – for Larson and everyone else.

When Larson unlocked the doors on that beautiful summer day and met with the employees, “I saw a store that had a lot of quality people who were very loyal and who had gone through some really hard times, hoping there’d be light at the end of the tunnel one day,” Larson says.

“When Rusnak bought the store, that was the light at end of the tunnel,” he says. “It was their reward for sticking it out through some hard times.”



One of those people was Sandy Holguin, the dealership’s former controller. “It was very difficult working here before Rusnak purchased the store,” she says. “We didn’t know if we were going to be open the next day or not. We didn’t have any capital. We had to pay cash for parts. We didn’t even know if we were going to get our next paycheck. It was scary for all of us.”

With Rusnak, that all changed. It was as if a big dark cloud was replaced by a beautiful blazing sun. Suddenly, there was capital to work with. There was inventory. New equipment was purchased. Employee moral went from below zero to off the charts.

Larson immediately recognized he had “quality people” in the service and parts department, so he retained nearly all of the employees. In fact, the parts department, under the direction of Jay Allen, was kept in its entirety.

“Jay is a real quality person,” Larson says. “He’s honest, his team likes working for him and he’s motivated. He has Land Rover and Jaguar in his blood -- he lives and breathes it. That’s the kind of person I want.”

Virtually all of the technicians in the service department were retained because Larson saw how dedicated and skilled they were.

“The previous ownership didn’t spend any money to keep the techs up to date with Jaguar



and Land Rover product and technical training,” Larson says. “So we invested, and have continued to invest, a lot of money by sending everyone back to school, doing all the training, getting all their credentials back to where they should be and getting them completely up to speed on new product.”

Today, they’re right where they need to be – and more.

To head up the service department, Larson asked Rusnak if he could bring in Bob Vusich, who has spent his entire career at the prominent auto group -- 37 years. He has more years of service than anyone in the company-- other than Paul Rusnak himself.

“Bob grew up in the Rusnak organization – he started his career here as a lot porter at the age of 18,” Larson says. “I really felt we needed someone here like Bob to head up service. I had worked with him, we had great chemistry, and I completely trusted him.”

Vusich is typical of the personality Larson admires.

“He’s an amazing person and a real leader,” he says. “He genuinely cares about the people who work for him. It’s not a ‘put on.’ And that makes all the difference. If people feel you care about them, they perform better.”

The service team has been openly appreciative of Vusich, who has impeccable managerial

skills, and the company itself for investing tens of thousands of dollars to keep them property trained.

“They were hungry for that training,” Larson says. “They all wanted it badly so they can be as successful as possible. They take a lot of pride in their work – and you clearly see that every day.”

The next step for Larson was putting together a solid sales team. At the time he took over, he had only *three* sales people – “not even enough to field a basketball team,” he points out with a laugh.



Luckily for Larson, one of those three sales people was John Sanderson, who has 25 years of experience selling and racing Land Rovers and Jaguars. Sanderson, who is from Sydney, Australia, just celebrated his 25th anniversary by having the best month of his career, selling 17 vehicles himself.

Even with Sanderson, Larson was still on the hunt for new qualified sales people that would fit into the Rusnak culture.

“And that’s a very time-consuming, on-going process that never ends,” he says.

But now he has a sales team of nine who all contributed to the dealership’s rise to the top. The team includes Sanderson, Greg Suzuki, William Gleba, Vadim Fedorovsky, Jason Nhim, Joe Saeh, Steve Kauffman, Travis Shuman and Dietrich Seney. Larson’s general sales manager and right-hand man is Khalid

Omar, follow by sales managers Kenneth Babin and Robby Ellis.

Just one year before becoming No. 1, Anaheim Hills was fifth in its market with just 22 monthly Land Rover sales. To become No. 1, it took 49 sales, which was well ahead of the runner ups -- Land Rover San Diego and North Scottsdale Land Rover (with 39 sales each). The previous month, in August 2013, Anaheim Hills was second in the market with 62 sold Land Rovers, just three behind the leader, North Scottsdale.

So what does Larson attribute to his store's rise to the top? He ponders the question for a moment and says in a serious tone, "We're a product-driven business. You first need to have the product people want in inventory in order to sell it. Because of the way the alloca-



Sven Larson (L), general manager, Jaguar Land Rover Anaheim Hills, and Victoria Rusnak (R), President, Rusnak Auto Group, at a Land Rover off-road outing in Northern California.

“In our business, you can go from zero to hero and hero to zero real quickly. The way you stay on top is to never rest on your laurels. You’re constantly looking for new ideas that are creative, innovative and responsive to customer needs in ways your competition is not thinking of.” — Sven Larson, General Manager

tion of the product works -- and because our sales team worked hard to get it sold -- we earned a good share of the available product.”

Land Rover's allocation formula is complex. It is calculated monthly to determine how many cars a dealership will earn in the next cycle. Land Rover doesn't want a dealer complaining that it is being treated differently from another in terms of how the available vehicles are being distributed. As a result, the calculations are transparent. That way, GM's can clearly see how the allocations are determined.

Different variables figure into the process, in-

cluding how many days' supply of each vehicle model a store has in inventory, how many vehicles are in its pipeline, and the dealer's percentage of national share. If a dealership has a lot of vehicles in inventory, it is not going to get many cars in the next allocation cycle. You need to sell the inventory first in order to get your share of vehicles from the next production cycle.

“We never would have gotten the allocation if we didn't have a great sales team doing a great job selling the product,” Larson says.

Even before Day 1, Rusnak often told Larson,



“Make sure you establish your travel rate early (travel rate is how quickly vehicles are selling from the date they are shipped to the date they are sold). You don’t want a lot of cars sitting here unsold.”

Larson and his team have followed that advice to a T.

“Once you establish your rate of travel, that’s what will earn you cars for the following year,” Larson says. “How well we do in 2013 sets the stage for opportunities for 2014.”

Now that Jaguar Land Rover Anaheim Hills is on top, the quest now for Larson and his team is staying there.

“In our business, you can go from zero to hero and hero to zero real quickly,” he says with a laugh. “The way you stay on top is to never rest on your laurels. You’re constantly looking

for new ideas that are creative, innovative and responsive to customer needs in ways your competition is not thinking of.

“Whether you buy a new Land Rover or new Jaguar from this or any other any dealership, you’ll get same great car,” Larson says. “The difference is the people behind the car and the relationship you have with those people.

“That’s where I stress our focus. Mr. Rusnak always said, ‘We’re not in the car business. We’re in the people business -- and people come back to Rusnak because of the great way they’ve been treated.’”

The Rusnak name is a marquee brand in itself; it’s iconic, and it has to do, in part, with the brands represented at its dealerships: Rolls-Royce, Bentley, Maserati, Porsche, Jaguar, Land Rover, Mercedes, BMW, Audi and Volvo.

Business Profile

“There is something special to our customers when they let the world know they’ve done business with Rusnak,” Larson says. “It’s very prestigious. It’s an image. People have Rusnak frames on the front of their cars and they wouldn’t dream of putting their actual license plate on the front. They want ‘Rusnak’ to stand out.

“We’re different from other dealerships in this way: clientele come here with expectations and they’re always met or exceeded. Everyone has to be appreciated, whether they’re here to just buy one small part or to purchase a new or used car.

“You create your mark – and build on that. We’ve done that.”



Recently, one of Land Rover Anaheim Hills’ customers accidentally locked her keys in her car. It happened to occur right next a competing Land Rover dealer in Orange County. Amazingly, the dealership made no effort to alleviate the distress for this new Land Rover customer and told her she should contact the Land Rover dealer that sold her the car.

On her own, she called a taxi to take her home so she could retrieve her spare key. A few days later, when she came in to Land Rover Anaheim Hills, she was still reeling from the experience. Larson intervened in the typical professional manner you expect of him: he offered to reimburse her for the expense of her taxi and had one of his top technicians go over



her car to ensure there was no fault.

Larson was speechless over the treatment she received by the other dealer.

“That never would have happened here,” he says. “It wouldn’t have mattered that she didn’t buy the car from us. Customers do not distinguish independent dealerships from the brand itself when it comes to meeting expectations. The way we do business is that we would have ‘wowed’ her so the next time she was in the market to purchase a car she would come to us.”

Whether you’re purchasing a new or pre-owned vehicle from Jaguar Land Rover Anaheim Hills, the experience is memorable, easy and hassle-free.

“They’re so good at what they do that they make it hard for you to even think about going anywhere else to buy a car,” says Range Rover owner Scott Wakefield of Anaheim Hills. “Hands down, it was the best buying experience I’ve ever had.”

And that is the mark of a great dealership.

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