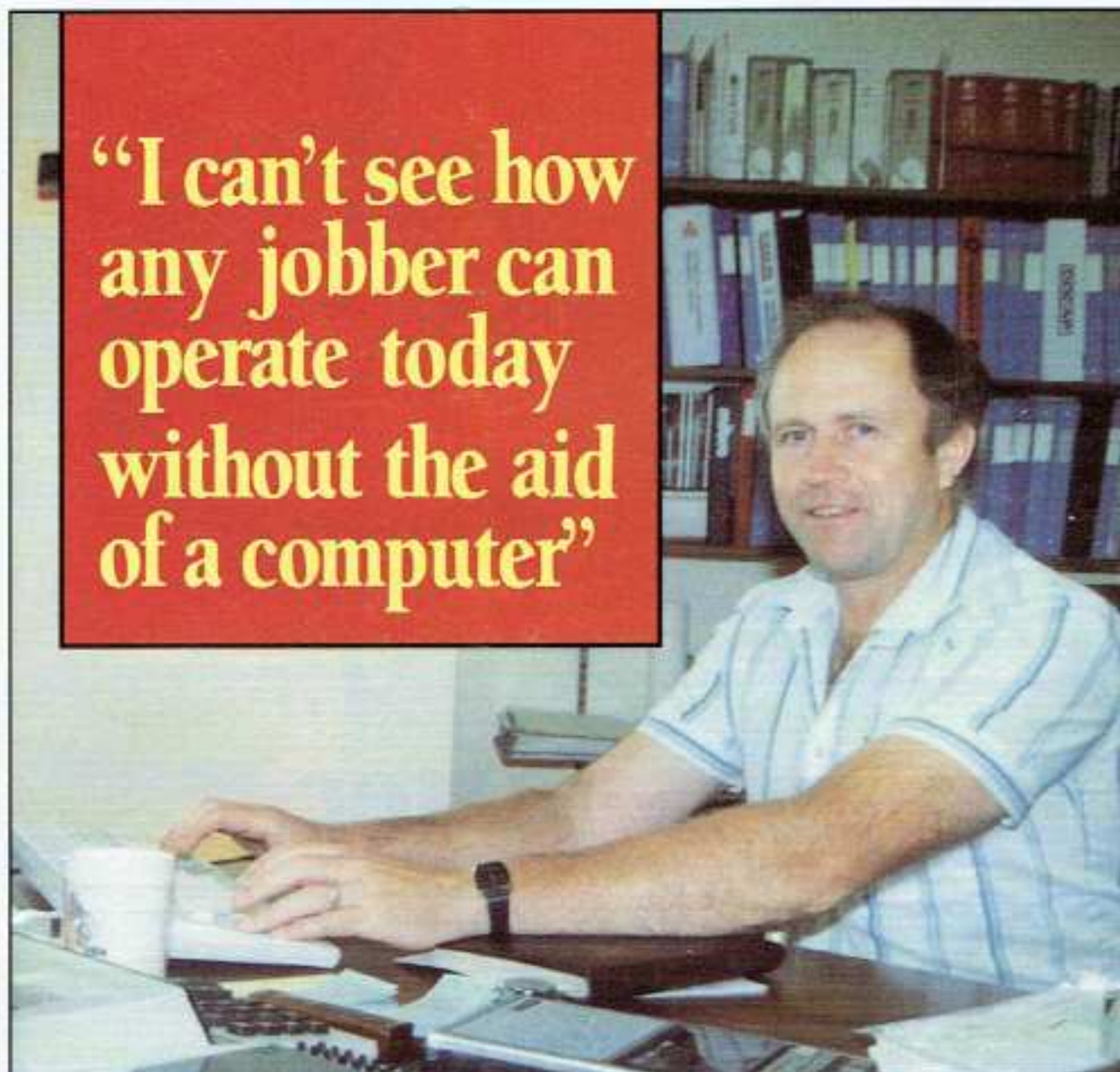


Jobber news

The voice of Canada's Automotive Wholesalers, WDs & National Accounts

"I can't see how any jobber can operate today without the aid of a computer"



Jake Elias the owner of Norpine Automotive in La Crete, Alta. sees the computer as a business tool but it is also one of his hobbies.

Modern pioneer equipped to handle new challenges

By Bob Blans

Even a Canadian who is about to travel to communities almost bordering the Northwest Territories for the first time tends to think about dense forests, lumberjacks, miners, and Indians and Eskimos.

In the town of La Crete, Alta. (about 100 km. south east of High Level where I made my first stop on my western tour - see November issue) there is a successful jobber who has one of the most up-to-date computer systems available.

The jobber is Jake Elias. He owns and operates Norpine Automotive in La Crete as well as a branch in High Level.

Many residents in La Crete, including Elias himself, are of Mennonite stock but unlike their brothers and sisters in some other communities, they are out of the horse and buggy age. They drive cars and operate sophisticated farm machinery.

"They are an extremely hard working group," Elias said.

Without a doubt Elias with his

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AIA headquarters to double in size

The Automotive Industries Association is expanding its Ottawa headquarters to more than double the present size.

Approval for the construction of the addition has been given by the AIA board of directors and work is expected to commence in December.

Construction is expected to be completed in March or April of 1989.

AIA president Dean Wilson said that due to increased staff and member services such as the management of the CIA Show, AIA had to choose between expanding the current facilities or moving to larger premises. He said it became apparent after examining the alternatives that the expansion of present facilities was economically more feasible.

The building at 1272 Wellington St. in Ottawa will be extended to the rear and a third storey added, increasing

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SPECIAL
Acklands'
100th
Anniversary
PULLOUT
SECTION

FOR
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LA CRETE AB T0H 2H0
BOX 160
NORPINE AUTO SUPPLY
PARTS MGR
ELIAS JOE
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Heavy duty truck parts big dollar line at Norpine

MODERN PIONEER *Continued from page 1*

state-of-the-art computer system and two modern auto parts stores is far ahead of many jobbers in more populated areas.

Jake Elias is a tall man. He is soft spoken but there is determination in his face. He is modest but there is pride in his voice when he talks about his business and the employees who have helped him make it successful.

The population of the town of La Crete is only about 750. Norpine's total trading area (La Crete, Rainbow Lake, High Level, Fort Vermillion and Zama City) consists of about 13,000 people.

Still, with a total staff of 13 employees and the occasional part-timers the two stores manage to generate \$2.7 million in annual sales. The way things are going it won't be long before they hit the \$3 million mark.

Norpine was launched by four partners in February of 1972. One partner retired. Another wanted to devote more time to his farm and a third decided to go into the farm equipment business. By 1979 Elias was running the business on his own.

He started in the business as a parts person in 1970 and prior to that he worked as a truck driver for an Imperial Oil agent. At the Imperial agency he became involved in every facet of the business including book-keeping.

When Norpine was started the staff consisted of Elias and one of the partners. Gradually more employees were hired. Elias's family also became involved and they still are. Jake and his wife Eva have three children - Sharon, 18, Gwynn, 17, and Scott, 14.



Heavy duty brake components are a big seller.

Sharon is taking a business administration course at Mount Royal College.

Jake's brother, Bill, manages the La Crete store. He has been with Norpine for 12 years. Joe, a younger brother, also works at Norpine. He is a heavy duty mechanic.

"Mechanics make the best parts people," Elias said.

Elias opened the branch store in High Level four years ago. A few months later he also joined the Modern Sales buying group.

From the outside the store in La Crete is deceptively small but its area

is actually close to 6,000 square feet. The branch in High Level is almost 5,000 square feet in area.

AGRICULTURAL COMMUNITY

La Crete is strictly an agricultural community but as Elias put it: "Every farmer in this area is also either a logger or a truck driver. In winter they work in the bush and in summer they work on the farm."

Most of the farmers are grain farmers. Very few raise livestock.

"There used to be a lot more livestock up here in the early 70's but when the price of grain went up they

(Photo right) Interior of La Crete store. The store looks deceptively small from the outside. It is almost 6,000 square feet in area. (Below right) Exterior of High Level branch. It looks modern inside and out. (Bottom) La Crete staff behind the counter. (Inset) Exterior of La Crete store.



couldn't afford to feed it to the cattle. At the same time the price of livestock was down and considering they had to haul the animals 800-900 km. to market in Edmonton it wasn't worthwhile anymore. Also raising livestock meant that the farmer had to stay home during the winter months. There were a lot more dollars to be made if he could go out logging or work in the oil field," Elias explained.

"Our logging season is really no more than four months long. You can't get out in the bush in the summer time because there is too much swamp around," he added.

HEAVY DUTY PARTS

One of Norpine's biggest dollar lines is heavy duty truck parts. It includes heavy duty brake parts, slack adjusters, camshafts, brake shoes, brake blocks and oil filters. Chassis parts is probably Norpine's biggest line. Elias has stayed away from paint with the exception of some industrial paint lines.

"We've talked about going into paint but somebody has to be trained to mix paints. We don't really seem to have time to pull somebody off the counter to mix paint when we are busy so we have stayed away from it so far."

Norpine also does a fair job selling equipment.

"We could sell a lot more if we put somebody special on it and I plan to do that.

"The last four years have not been booming in the oil fields but it's starting to pick up again now. We've had a better farm crop and logging has been good."

Competition is increasing but it hasn't bothered Elias too much.

"All it has done is make us work a little harder. Our sales have still been up every year. Without competition you tend to forget what business is all about. It sure keeps you on your toes."

COMPUTER POWER

Elias keeps ahead of things with the new computer system that has been installed. He bought his first system in 1980 but the company has since outgrown it.

"Our old computer system is still a good system. It still runs fine. I hate to let it go but the price of maintenance is one factor and we have outgrown it completely. Every time we wanted to create a new part number we had to find one that we could delete.

"The new system is on line at both locations 24 hours a day. We can see what they have in stock and they can call up what we have. The new system has about 15 times more capacity than the old.

Buying a computer these days has got to be the toughest job there is and finding the right software is even tougher. You know there are good programs out there but to find them..." Elias commented.

"I love playing with computers. I spend a lot of time looking, researching and reading about them. A lot of other people wouldn't be interested in going into it that deeply. I don't recommend that they buy anything that they have to fine-tune themselves. It's something I enjoy doing but many people don't."

Elias wishes that manufacturers would get together and put their catalogs and price lists on floppy disks.

"That's the way to go... a new disk once a month. They would save a lot of money too."

Elias knows what he wants from a computer.

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"I didn't write my own programs but designed or figured out what we needed to be done with them. The programmer took that information and developed a special program for us.

SPECIAL ORDERS

"The program we need here is special because it has to be able to handle special orders. Since we are 500 miles away from the major source of supply 30 per cent of our business is special orders that we bring in overnight from Edmonton. We had to develop a system that can track and handle special orders. We have always tried to give overnight service when at all possible. Too often there is a big piece of equipment down and they have to have the parts "not now" but "right now".

"One winter," Elias recalled, "we went as far as chartering an airplane to fly in some bearings. We found out about the problem at midnight and at three a.m. the bearings arrived in High Level. It was a \$1600 tab but the sawmill was up and running again in a matter of hours. They would have had to shut down had we not had the bearings flown in. It would have put a couple hundred employees out work for an extended period of time.

"The sawmill at High Level employs about 300 people and even more during the winter. About 100 trucks are out hauling logs during the winter."

At both locations the stores cater to walk-in trade. A lot of space is devoted to showing product in front of the counter.

INVENTORY/TURNS/PRICING

"We keep over \$500,000 worth of inventory on hand between the two stores. We use La Crete as the central warehouse because we get better freight rates than in High Level," Elias explained.

He said he'd like to turn his inventory six times.

"That's not always possible. On average we get three to four turns but now with the new computer we can improve on that. 4.5 to five would be super," he said.

Profit margins, according to Elias, have been as high as 38 per cent and as low as 32 per cent.

"We have quite a few products that give 40 per cent but on average 34

would not be a bad number."

Even though Norpine sells a lot of product over the counter Elias believes that selling at retail is a thing of the past.

He recalled at a meeting four years ago he was talking to some fellow jobbers who were surprised that he was selling 20 off list when they were already selling "off dealer" or "off jobber".

"There is no such thing as wholesale anymore either. There is a buying price and a selling price."

Like any businessman Jake Elias is in business to make money but there are other rewards.

"If I can serve somebody and make him happy by selling him the right part that is still the best part of the business."

CUSTOMER SERVICE

"My joy in business is helping a customer when he is broken down to get him on the road again. If I can serve somebody and make him happy by selling him the right part that is still the best part of the business.

"The problem with growing and adding a branch is that you wind up spending a lot more time in your office than you really want to but I guess that is part of life. I love working behind the counter but there are other things that have to be done that I always think nobody else can do but me.

"The new technology vehicles are something else. You have to stay on top of it. You just don't give up because electronics are involved in more things. It's good. It's just starting. In the next five years it will be completely different again."

Elias believes he gets reasonably good service from manufacturers reps.

"The main ones show up three or four times a year. Whenever we need help they are there to help.

"I think a lot of jobbers were used to reps coming in to wipe the dust off

their boxes and putting them back in order. I don't expect that from reps. That's our job I think.

"We have not used the manufacturers' help that is available to the fullest extent. There is a lot of help available and we are starting to use it more but distance remains a factor. You have to know months ahead of time to arrange appointments so that the reps are able to come when you need them."

It gets cold in La Crete. . . -40. . . -50 is not unusual.

"We never get wind or storms with the cold. When it is -40 it is nice and calm. The last few winters were too mild. The muskeg wouldn't freeze over. That's not good for business. Cold is not a problem. We like to have it more often," Elias explained.

LONG LEAD TIMES

There is no such thing as having a fleet of delivery trucks in La Crete or High Level but salesmen do take product with them when they make their regular rounds. Each salesman has his own weekly schedule.

Delivery to customers has not been a problem. The main problem is the lead time required to get orders out of Toronto.

"If we get it in seven days we are laughing," Elias said.

Fax has really helped us. We never used the mail for placing orders. We always used the phone before. Fax is definitely the way to go," Elias added.

Store hours in La Crete are from 8 a.m. to 6 p.m. six days a week and 8 a.m. to 5.30 p.m. in High Level.

The business takes up a lot of Elias's time. Sometimes there isn't enough time to pursue the few hobbies he has. First and foremost of his toys is the computer. It's a business tool but it is a hobby as well. He also enjoys nature photography, particularly flowers and plants and the occasional fishing trip.

Elias is optimistic about the future.

"What I see happening in this part of the world is a tremendous amount of growth."

He referred to several new projects that are in the offing, particularly in the lumber industry.

"The next 10 years look very positive," he said.

I can believe it. With modern pioneers of the North like Jake Elias progress is bound to continue. ■