

# **Desire to Win**

## **Excerpts from Bob Graham's President's Address**

New technologies ... are threatening to put an end to changing out the head unit in cars. Today's specialist business model is still based on changing the head unit and improving backward. In the short term, there will continue to be a supply of used cars that we can swap out the head unit on but at some point we will exhaust our supply. Then, what?

I can tell you, as a group we are lagging behind in fully comprehending the coming changes. Once one gets a real good grasp on the future it tends to create the "Oh my God!" reaction. Following that, some think the coming changes will put them out of business while others have a belief that it will all work out ... somehow. A few that I have talked to are looking forward to the coming changes and finding new ways to position themselves to gain market share.

In the past we have been very successful at reinventing ourselves, but I am here to tell you that the specialist retail model is going to change over the next few years as it morphs into a different way of doing business. I believe 2007 is a pivotal year for you .... In the near future, to be successful, you must position yourself as the "go to" guy in your area. You will need to be on the cutting edge of technology or run the risk of not surviving the coming changes. Change will become the status quo. Keeping up with all the new technologies will be a challenge. There will be risks. Progress always involves risk; you can't steal second base and keep your foot on first. Platitudes are interesting but in the real world how do we keep our enthusiasm for what we love to do, in spite of the coming changes?

Understanding that the coming changes are going to happen, with or without you, will be the first step. Then you'll need smart calculated knowledge on how to adjust to these new technologies. After that you can self-generate all the enthusiasm you'll need to make the necessary adjustments for a new, improved specialist business model.

In the beginning you had a dream. I venture to say that you had the will to test your limits and do whatever it took, to accomplish that dream. For most of us that dream had to do with building a successful business. God only knows the specialist business will test your limits. And now some of you may wonder if you still have the courage to succeed. Maybe you do and maybe you don't have the courage, but one thing is for sure: The desire to win is born in most of us. The will to win is a matter of training.

The car audio market is still very vibrant even while going through a stage of flux. Many specialists are telling me that certain segments of their business are doing well. But the market has shifted. What used to be our core business, the deck and four, is moving to the "box" stores. At the same time, specialists are drifting to the high end of the market.

I don't know about you, but we do not sell many \$99 CD players these days. Most of our sales are higher ticket items. I am also hearing rumors that some box stores are re-examining their commitment to car audio as it continues to become more technical.

As the market drifts towards the high end, it is particularly good news for specialists. But it seems that most retailers are taking a "wait-and-see" attitude in regards to the future direction of their business. The wait-and-see attitude is a dangerous position to take. To be successful you need to do the opposite of what "others" are doing. You should trust yourself to test your limits and reposition yourself while the competition hangs on the wait-and-see attitude and consequently drowns in indecision and complacency.

One could say with confidence that the difference between two equally talented football teams is the desire to win. The desire to win creates power!

Is your business doing better today than it was four years ago?

To be successful in the specialty chain of distribution you will need to move to the high end and become the "go to" guy in your area. A mobile enhancement specialist has to be on the cutting edge of technology. You must be the first in your market with new technologies and garner the reputation as the authority in your market.

In addition to carrying and promoting these new technologies, the specialist will need to find new ways to display them. Starting the sale with the head unit and adding on is going to have limited success. You will need to demonstrate to the consumer how to dramatically improve his system without changing the source unit.

Specialists must sharpen their skills in running their businesses smartly and efficiently. You will need to discover new ways to make more profit on fewer customers or expand the products that you sell and service. I believe diversifying needs be part of your business plan. It will become increasingly risky to “stay the course” as time marches forward.

Certainly the market is different than it was four years ago. But, still this resilient economic climate has all the fundamentals in place to offer wonderful opportunities to those that have the desire to win.