

Dick Sweebe

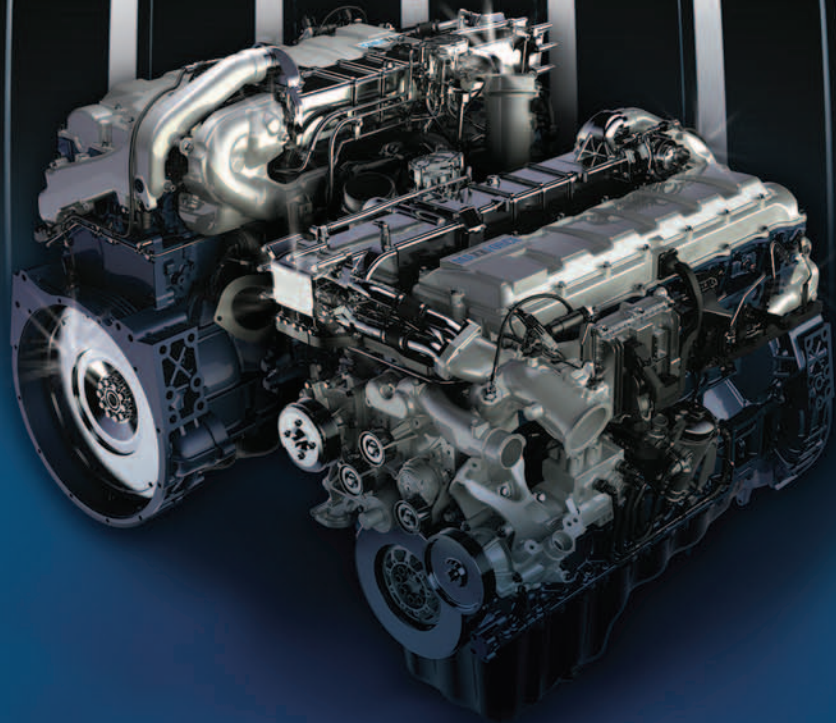
Good Old-Fashioned Salesman

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PHOTOS OF DICK SWEEBE ON COVER AND THIS PAGE BY JON D. KENNEDY.

RUSSELLVILLE EXPANSION COMPLETE DECEMBER 2011!

GOOD OLD-FASHIONED SALESMAN

Dick Sweebe on maintaining an image of class

By Lane Kidd

Executive Editor

We're told not to do it, but we just can't help ourselves. There's something about first impressions being so easy to make that makes them so difficult not to ignore.

And we only get one shot at making a good one, because once created, those first impressions are hard to break. Knowing this, all of us try and make the best first impression we can, knowing that within seconds we will either be cast saint or sinner.

First impressions in business can mean the difference between signing a deal and losing the sale.

Richard "Dick" Sweebe believes his employees should always do their best to hit the mark. And he thinks it starts with him. "I wear a coat and tie to work every day," he says. "I always have. It makes me feel more professional. I just think you look like you are in business when you do that."

Sweebe, president and owner of Diamond Companies, a truck and bus dealership and leasing company based in Memphis, Tenn. with 16 separate retail locations across four states, gives an example.

"You know, I had two different bankers in here today," he says, waving his hand toward the outer area of the office. "Both of them walked in here with suits on. That makes an impression."

I mention that, as he knows, the trucking industry isn't exactly a coat and tie crowd; business casual rules at most companies, even something less than that among drivers in the field.

Sweebe smiles, "Well, no disrespect to anybody who chooses not to wear a coat and tie in our industry, but I make my guys wear a tie, not a jacket, but at least a tie.

"We're a company of 625 people and we try to be professionals," he explains, "I want everyone to present the best image possible and I think that's part of it. I want to set our company apart from the others," he says, adding he doesn't think too many principals of truck dealerships put on a suit and tie to go to work.

That also explains why his location might be the cleanest, neatest, truck dealership you'll see anywhere. It takes up 10 full acres under pavement, on a bustling city corner in Memphis. The floors, the break rooms, the show rooms are spit-polish clean. In the bays it's no different – the technicians working on the trucks keep things organized and clutter free.

Giving customers the personal touch from the time they walk in is another hallmark of Sweebe's Diamond Companies. "It used to be that when a customer would come in to pick up their truck, somebody would point to a space on the wall and say 'your truck's in C-129' and the customer would walk out and try to find it. Now, we try and always go out and get the truck and drive it up to the front, just little things you do to make your customers feel special, because they are."

After a tour of the facility, during which he called out employees' first names as we breezed by, occasionally pausing to introduce someone, we wound up in his office – not on the dealership grounds but in a one-story brick complex a block or so away.

Sweebe's office is neat but modest – a simple light gray metal desk, a credenza behind, a file cabinet, a round table to the side, several mounted ducks on the

**“THAT’S ALWAYS WHO MAKES THE MOST MONEY
—SALES, NOT THE GUY OUT THERE
SEPARATING THE BEANS.”**

wall, and perhaps most impressive of all, nothing but a computer and a phone on his desk, again, one of those “first impression” things.

“I can remember Mr. Henry Corns who owned a dealership in Bowling Green, Kentucky, and who I almost bought out instead of coming here back in 1982,” Sweebe says. “Mr. Corns never had anything on his desk and I asked him one day, ‘how do you do that?’ and he leaned back and said, ‘well, Dick I have this drawer here in my desk and I have a lot of stuff in this drawer. But every day I work out everything that hits my desk and what’s left I put in this drawer, and when I can’t shut the drawer I make myself go through everything.’ I thought that would be a good practice to follow.”

Despite owning an enterprise that will gross more than \$350 million this year, Sweebe doesn’t have a personal or executive assistant to help him keep up and stay organized. “[My wife] Bobbi Jo stays on me about that, but I do everything myself. I book my own airline tickets. If somebody is coming into town I call the restaurant and make the dinner reservations.”

LESSONS LEARNED ON A FARM

“I grew up on a small rural farm in Northwestern Ohio and I do mean rural,” he says, laughing. “Our address was Rural Route 1, Rudolph, Ohio and if your dog ran away you could see him for three days.

“My dad did a little bit of this and a little bit of that,” he comments. “We only farmed about 300 acres so he worked construction and sold some real estate. We didn’t have much money. In fact, I can remember when we put plumbing in the house,” he says, smiling. “I mean that little farm where we lived was so...you know, we were always trying to fix stuff and something was always broken. I knew early on that the one thing I did not want to be was a farmer.

“We had maybe 50 kids in my class and my senior year we consolidated with Bowling Green High School. That was an eye opener. I remember interacting with all these kids who just seemed to have more going for them than I did.

“I remember coming home from school one day and I was kind of down and my dad asked ‘what’s wrong?’ and I went on about how things weren’t going well for me and how I didn’t fit in because I didn’t know all the things they knew.

“And I will never forget my dad sat me down and said, ‘well, you know everything that you know because you have lived way out here on this farm and you have had to do a lot of things out here that those kids have no idea how to do. You know about hard work. You know about long hours. You know how to do without and to fix things to make ‘em work. You are twice as smart as those kids are and you can outperform any of those folks in whatever you do.’

“And I guess that lesson stuck,” he reflects. “I still get up early like we did on the farm. I get to the office around seven o’clock in the morning and I get home around six and I’m okay with that because that’s just the way it’s always been.”

Graduating from high school, Sweebe didn’t really know where he wanted to go to college. But he was positive he didn’t want to stay in Bowling Green. At the suggestion of a high school buddy, he wound up at Adrian College, a tiny Methodist college in Michigan. It was there he met Bobbi Jo Benton, who he later married and who he credits with getting them where they are today.

WHAT’S A GUY TO DO?

Armed with a business degree, Sweebe was unsure of his career. So he returned to Bowling Green, Kentucky and signed up with a job placement service.

“I got a list of companies that were hiring and one of them was International Harvester and you know, I grew up on a farm so I decided to interview with them, but when I went to the interview I thought it was for the farm equipment company. I didn’t even know they made trucks.”

He decided sales might be a good fit for him. “I’ve always been able to get up in front of anybody and talk. With that and the business classes I took, I realized that I could be in business,” he says. “But the real money, I would find out, was in sales. That’s always who makes the most money –sales, not the guy out there separating the beans.”

Sweebe was sent off to a branch dealership and assigned the lowest sales job in the company, that of a retail floor salesman, where he began selling Scouts, pickups and light duty trucks. “They offered me the job of management trainee for \$715.00 per month which was pretty good,” he says. He excelled at the job.

“I was really doing pretty well so they promoted me, or so they said, to a zone manager. So I went from being a

salesman making fifty grand a year to being a zone manager making twenty something a year.

“But I realized that to be successful in management, I had to start at the bottom and begin to work my way up, so it was zone manager, to district sales manager, to branch manager in Lexington, Kentucky, which I became when I was 27 years old. I thought I’d died and went to heaven. That was the best job I’d ever had.”

EMPLOYEE TO EMPLOYER

By 1979, the U.S. economy was drifting into a recession – 20 percent interest rates, rationed fuel and notable industry sectors like agriculture in steep declines. Times were tough.

The rumor began circulating in the newspapers that International Harvester, at one time one of the nation’s stalwart corporations, was near bankruptcy.

Navistar Corporation, the name by which the company was operating at the time, launched a program to raise capital. It offered to sell its company-owned dealerships to key employees. Sweebe decided it was time to make a change from corporate management to entrepreneur.

“Navistar was pretty sharp,” comments Sweebe. “They decided to sell off dealerships to people who worked for the company, keep Class A stock, issue Class B stock to the buyer, and until they completely bought the Class A stock, Navistar called the shots.”

Navistar pegged Sweebe as a prospect and offered to sell him a company owned dealership in Memphis. But Sweebe was inclined to go home to Bowling Green, Kentucky, where Henry Corns, who owned an independent International dealership, offered to sell him his company.

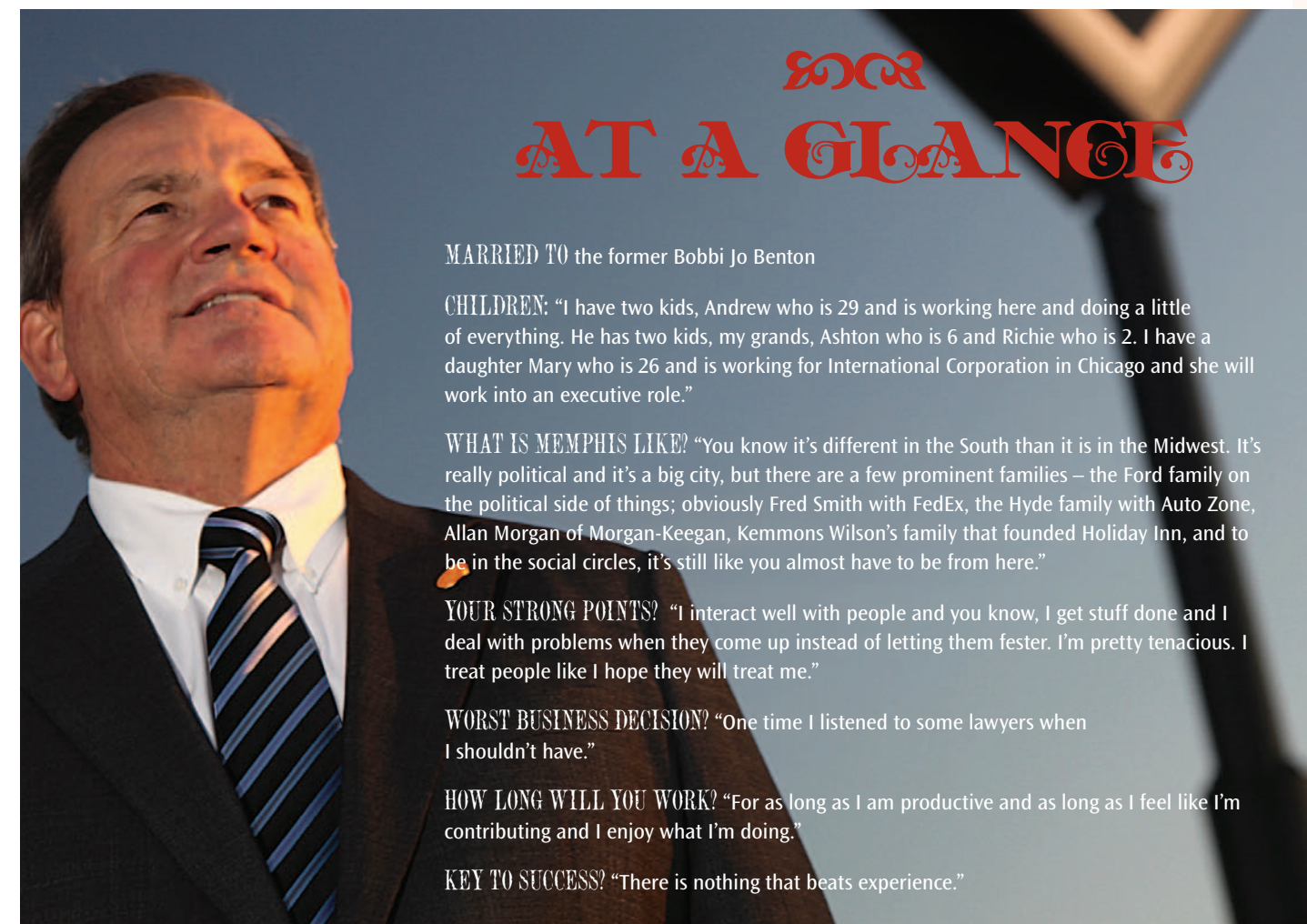
“I told this Navistar guy that I had

been talking to Henry Corns and had signed an agreement with him to buy his dealership and the Navistar guy said, ‘I’m not going to let you do that because I won’t approve the sale.’ I said, ‘you’re kidding me?’ and this guy said, ‘Dick, I’m telling you, you have to do this Memphis deal.’

“I begged off saying I needed some time to think it over but he replied, ‘nope, I have to hand over a list of who’s going to buy our dealerships tomorrow morning at eight o’clock, so if you don’t want to do this deal I’m going to move to the next guy.’

“So one of the guys I did really respect was this dealer in Louisville, Bernie Uhl. I went over to see him that afternoon and shared my situation.

“After listening he leaned back in his chair and said, ‘Dick, you ever been to Las Vegas?’ I said ‘yeah, I’ve been to Las Vegas’ and he replied ‘you know,



AT A GLANCE

MARRIED TO the former Bobbi Jo Benton

CHILDREN: “I have two kids, Andrew who is 29 and is working here and doing a little of everything. He has two kids, my grands, Ashton who is 6 and Richie who is 2. I have a daughter Mary who is 26 and is working for International Corporation in Chicago and she will work into an executive role.”

WHAT IS MEMPHIS LIKE? “You know it’s different in the South than it is in the Midwest. It’s really political and it’s a big city, but there are a few prominent families – the Ford family on the political side of things; obviously Fred Smith with FedEx, the Hyde family with Auto Zone, Allan Morgan of Morgan-Keegan, Kemmons Wilson’s family that founded Holiday Inn, and to be in the social circles, it’s still like you almost have to be from here.”

YOUR STRONG POINTS? “I interact well with people and you know, I get stuff done and I deal with problems when they come up instead of letting them fester. I’m pretty tenacious. I treat people like I hope they will treat me.”

WORST BUSINESS DECISION? “One time I listened to some lawyers when I shouldn’t have.”

HOW LONG WILL YOU WORK? “For as long as I am productive and as long as I feel like I’m contributing and I enjoy what I’m doing.”

KEY TO SUCCESS? “There is nothing that beats experience.”

“AFTER LISTENING HE LEANED BACK IN HIS CHAIR AND SAID, ‘DICK, YOU EVER BEEN TO LAS VEGAS?’”

when I go out there, if I’m going to have fun I’ll usually sit down at the two dollar black jack table. And you know, I’ll play all night and I might make a hundred bucks or I may lose a hundred bucks and I’ll have fun, but nothing big ever happens.”

Uhl’s analogy continued, “Now, if I feel lucky enough that night, I’ll sit down at the hundred dollar table and I know that whatever happens, it’s going to be something big. I’m either going to make a bunch of money or I’m going to lose a bunch of money, but I’m in the game and something is going to happen.”

“Then he said, ‘if you go to Bowling Green, Kentucky, you’ll be sitting at the two dollar table. You’re going to have a nice living, probably join the country club, you’ll join Kiwanis and you’ll have a nice life. But Dick, you are never going to really be anything big there. But if you go to Memphis, you’ll be sitting at the hundred dollar table and if it goes right, you’re going to be something big.’

“That conversation made me decide to come to Memphis. So I called Bobbi Jo and told her what was going on and she said, ‘well, I think you’re crazy to go to Bowling Green anyway and I’ve never been to Memphis. But I’m with you whatever you decide to do.’

“So, I went into Chicago and the Navistar guys said we’re going to capitalize you at \$1.8 million and my down payment was \$72,000. I said I don’t have that kind of money and the old boy asked, ‘well, how much have you got?’ and I said, well, I don’t know, I

have some equity in my house and a little bit of savings, some money I’ve paid into retirement with you guys over the years and I paused, and said, ‘if I give you everything I’ve got, I could probably give you \$26,000 and he said, ‘that’ll work.’

“But as it turned out, I wouldn’t have had to give them anything. Because these guys came in behind me who were smarter than me, said, ‘heck, I don’t have any money’ and they took a lot of those guys. But you know what? Having some skin in the game probably made me pay more attention than if I’d come down here and simply started like a branch manager.”

Sweebe did not have a start-up, but rather a “mature corporation with 56 employees.” The dealership had generated about \$17 million the previous year, so after cutting his deal, Sweebe pretty much left things as they were, but with a long-term plan to grow and expand as revenue allowed.

There wasn’t much extra money at first. The economy was slumping and those “big things” Sweebe’s mentor predicted might occur did not for a long time. It took five years before he had purchased enough stock from Navistar to give him majority interest. He visited a local bank and borrowed the money to purchase the remaining stock and assumed total ownership.

With full control, Sweebe began expanding, buying other dealerships as they became available. His reputation for success steadily grew as well. Today his dealership network is one of the largest in the Midwest.

He was named the American Truck Dealers Association’s 2009 Truck Dealer of the Year and serves on several boards, including the Arkansas and Tennessee Trucking Associations.

But Sweebe isn’t quite satisfied with the company just yet. He’s moving into other markets, notably south Arkansas where he believes the truck market has some growth potential. But that approach may be a little different. “We just bought our first NAPA store and we’re going to get into that business a little bit that way. We’ll have a retail outlet that can help introduce us to the market.”

One thing he will quickly add is that, as much as he enjoys work, he enjoys playing more. He and Bobbi Jo have a house on Eden Isle on Greers Ferry Lake in north central Arkansas.

“The kids were very young when we bought the house,” he recalls, “and it was before cell phones and all that stuff that occupies kids now. There was a lot of good family time. We rode bicycles and went out on the pontoon boat. There was a time they thought that was the best place to go on vacation.”

His two kids are grown now, but he still enjoys the area and in fact, recently bought a two bedroom cabin on the Little Red River below the Greers Ferry Lake dam, where he goes to fish. “I like to fish and go out on the lake a lot and I enjoy doing things with Bobbi Jo. She’s sure not a duck hunter.”

Winding up the interview I asked him about Bobbi Jo, his wife. For the first time in the two hour interview, he paused. “Next July, we will celebrate our 40th wedding anniversary,” he began. “We are without a doubt each other’s best friend. I only ever had one blind date in my life and that was when I was in college and met Bobbi Jo.” He pauses again.

“She’s been a key part of my success even though she has never worked here,” he adds, “and she is my advisor, my devil’s advocate. She taught me how to enjoy life. I tell people that Bobbi Jo and I are like a couple of geese. We are mated for life.”

