



Jack-It: Grooming Business, One Detail at a Time

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Off-Road Retailer



Attention to detail and careful record-keeping are measures of any strong business. Sometimes, those qualities develop into a company's backbone, as with Jack-It, Inc., an off-road retail/mail-order store in Salt Lake City.

First called Jack-It Install, the company's primary mission 10 years ago focused on installing lift kits for the city's largest retail 4x4 outlet. Owner Todd Thatcher, (shown left) however, noticed many of the kits were incomplete, or that vehicle configurations required parts different from those supplied in the kit. He made notes in the margins of catalogs to improve the turnaround time of future installations. He also developed ideas for improving the kits; not by re-engineering the individual parts but perhaps substituting one or two parts with those from another manufacturer. After installing nearly 500 kits a year, plus numerous other popular truck accessories, Thatcher's catalogs quickly became a library of time-saving information and potential consumer packages.

About 18 months into Jack-It Install's bookings, Thatcher's original partner resigned. At the same time, new owners of the large retail shop parted ways with Jack-It over financial arrangements, prompting Thatcher to develop his own retail operation.

"That's when I changed the name to Jack-It, Inc.," says Thatcher.

Up to that point, Thatcher's shop had minimal experience in wholesale purchasing or retail selling. He did acquire parts on his own at times because the large retailer carried only one brand. Thatcher approached small manufacturers directly and a few WD sources in the early days to get the parts he needed, but no contracts were made.



Thatcher brought on a new partner, Perry Morris, when he changed the store's direction towards retail. Morris helped with marketing strategy while Thatcher saw more potential for improving existing lift kits or assembling his own kits using proven components from various manufacturers.



In the past eight years, Jack-It's retail and mail-order operations grew 100% a year, forcing the move to the current 5,400-square-foot warehouse/showroom facility that's joined by a seven-bay installation garage that covers 3500 square

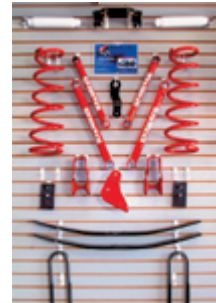
feet. The company continues to maintain an average of 500 full lift-kit installations a year but now sells more than five times that many kits over the phone and Internet.

HOBBYIST-TURNED-SHOP OWNER

As with many 4x4 entrepreneurs, Thatcher started out as an automotive hobbyist working in a general repair shop. One day, he noticed a classified ad in the local newspaper announcing an installation business for sale.

"Basically, we would have been buying nothing more than the sign on the front of the building," remembers Thatcher. "There were no tools, no inventory."

Although he passed on purchasing the operation, Thatcher did have the initiative to talk to the large 4x4 retailer that supplied most of the installation work to the shop up for sale. Two weeks later, the retailer invited Thatcher to establish his own shop and handle all of the retailer's installations. Thatcher also drew jobs outside the retailer, mostly fixing problems from other shops or enthusiasts who tried their own installation.



"It was amazing. We were doing installs and someone would bring us a kit that would be lacking all these parts," says Thatcher.

The kits, he says, missed steering corrections necessary to lift the vehicle properly and safely. He also discovered missing shock absorber and sway-bar links. Sometimes the wrong parts were supplied. Thatcher found subtle and substantial differences in vehicles with different configurations, GVWR upgrades or a transmission option. Other times it was just simple hardware.



THE MOVE TO RETAIL

When Thatcher incorporated the company following the departure of his original partner and the loss of installation work from the 4x4 retailer, he had to focus more on retail. Fortunately, Jack-It's reputation for installations continued bringing customers through the door.

"We had built up enough of a customer base at that time to start selling our own parts and keep the ball rolling," says Thatcher. "We started talking with other companies. The first couple years were tough because we didn't have a lot of capital. Companies didn't want to talk to us unless we did a big buy."

The turning point came when Jack-It released its first catalog in the spring of 1997. The 24-page catalog served notice that Jack-It had professional aspirations and was motivated to be a serious force in the retail/mail-order market. That's when manufacturers started calling us," remembers Thatcher, who says the catalog has grown to over 100 pages now.

The focus was always on suspensions in the early days. Thatcher started assembling many of his own kits, using proven parts that were compatible with the vehicle and always made sure they were complete.

"It's very difficult to find spring eyebolts at the local hardware store," says Thatcher. "So we started putting spring eyebolts in every kit." More important, Thatcher developed complete kits for many vehicles that the major manufacturers were neglecting.

"It stems mostly from the older vehicles," he explains. "Most of the kits for new vehicles are complete. But all the manufacturers don't have a complete kit for something like a 1979 and earlier Bronco and F-150."

Customers usually have a choice of manufacturers and lift heights when shopping for a kit through Jack-It. A late-model truck may have kits from Rancho, Skyjacker and Pro Comp while another truck offers Tuff Country and RCD. Customers shopping through the Internet site can read full descriptions of each kit. In the beginning, Thatcher says some manufacturers expressed concern that their product were mixed with other brands in Jack-It's home-based kits.

"As time has gone on, I think they've seen how it's put together and that it's worked well for us," says Thatcher. "Obviously it moves more parts."

Thatcher estimates about 35% of all mail-order sales come directly from the Web site while the remaining are called in. Jack-It advertises in leading off-road enthusiast publications although Thatcher says he doesn't employ a tracking system.

"Our Web site is a great resource and some people are comfortable ordering off the Net," says Thatcher. "For others, sometimes they need questions answered."

CONTINUED AND STEADY GROWTH

Thatcher says the lowest growth rate for Jack-It was about 10% in 2002. In the first quarter 2005, he says revenue is up 45% over 2003. All the growth has been due to parts sales, especially in wholesale to smaller 4x4 shops in the area and tire stores.

"For us to be a WD, the manufacturer wants to see those wholesale accounts," says Thatcher. "They want to see us stock parts and supply more than just the retail customer."

Much of Jack-It's success can be attributed to getting the right part number the first time. Jack-It's extensive database of notes for the lift kits and different applications has proven to be a major asset to the sales team. Jack-It has six full-time customer representatives working the phones and all are experienced in running down footnotes with callers to catch any surprises before the kits are shipped. Many of the footnotes are also listed on the Web page.

With a team of three technicians in a seven-bay garage, Jack-It continues to gather notes and information from installations and trying out new kits. They've even made discoveries for their suppliers. When the new Toyota Tacoma came out late last year, a Salt Lake City dealer sent two trucks over for a lift even though kits were not available for the next-generation model. Jack-It's technicians discovered that parts for the current 4Runner were a match.

"The manufacturer asked why we started ordering so many 4Runner kits and we were the first to tell them that they fit on the new Tacoma," says Thatcher.

Despite offering kits with many different brands, Thatcher has not found a major problem in passing on proper instructions. He has developed some instruction sheets on his own but often, the guidelines for the individual parts are adequate. He's also found the instructions for the full kits to be professionally written.

Thatcher says he has no intention of developing and manufacturing his own line of equipment, nor does he wish to private label parts. "With all the manufacturers that are available to us, that means their engineers are also working for us," he concludes. Thatcher is also very blunt in noting that there are inconsistencies in full kits across the line from some manufacturers, if for no

other reason than there are so many different vehicles on the market. "If we were to try and manufacture our own equipment, we'd end up in the same position."

Jack-It's focus for the mail-order customer will continue to be lift kits as he doesn't have the buying power to offer other parts categories, even though he has holes in his catalog. For example, Jack-It offers wheels but not tires; exhaust parts but not engine upgrades; lockers but not gears or axles.

"In order to be competitively priced in mail-order, you really have to be a WD. I can't offer an engine upgrade by getting it through a middleman and then put it on the Internet," says Thatcher. "I can sell those parts to customers coming through the door but not to anyone shopping on the Internet and still make money."

Jack-It's showroom is located on a high-traffic boulevard, just a short distance from Salt Lake City's second-busiest intersection. Out front is a large rock on which customers often display their trucks or test axle articulation. Lift-kit displays, action photos, wheels and videos keep customers busy inside. In addition to the sales staff of six, Jack-It employs three in the service bay and six in administrative, shipping, receiving and delivery. Usually dressed in flamed uniforms while on duty, many of the employees are involved in off-road activities, including rock crawling and racing outside of work.

In the near future, Thatcher is keeping his eye on the growing diesel-truck market as well as new technology and electronics that could affect lift-kit engineering. Hopefully, there will be enough room in the catalog margins for all the new notes.

SOURCE:

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