

The Community Page

A Heart of Service

Pulling into a Les Schwab Tire Center, you will see attendants, dressed in clean, crisp white shirts with neat hair, sprinting to your car to serve you. Because customer service is the heart of the business, everyone who is hired, even those who eventually rise to management (all managers are promoted from within the company), begins by changing tires.

You will find no organized unions or labor problems in Schwab's shops, and one must ask what causes such loyalty. The answer lies in the desire of Les and Dorothy Schwab to share their wealth with their employees. "The more you share, the more you have left for yourself," was their motto.

Fifty-five percent of all company profits being funneled into the employee profit sharing program that encompasses health and dental care, education funding and retirement accounts

Les Schwab Tire Centers are never open for business on Sunday, and their policy is, "If we can't guarantee it, we won't sell it." Down-to-earth ethics guided the lives of Les and Dorothy Schwab, and are to be found in the business at every location.

Local managers Wade Lovelace (on Constitution) and Dave Knutz (on 17th Street) have only very kind words to describe Les Schwab and his business practices. Knutz, with 15 years of experience under his belt, has been in Idaho Falls since October after working in other places in Idaho and Washington. As with other employees, he has met with Schwab on numerous occasions and describes him as a humble man who didn't act at all like wealthy icon. "He always greeted us by name, and



Rick Demmer, PhotoGraphix

Darrell Everton, assistant manager at the Constitution Les Schwab Tire Center, buys a grand champion 4-H lamb.



Wade Lovelace, manager of the Constitution Street Les Schwab Tire Center.

promise to teach them the business, "When you're ready, we'll build you a store."

In 1963 Schwab found a way to meld his love

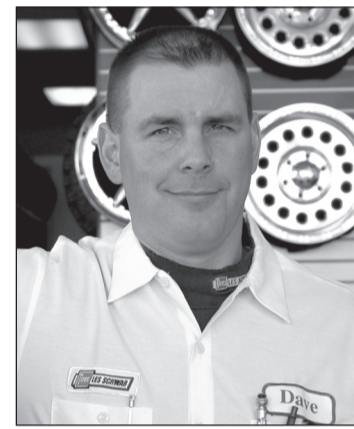
asked about our stores by location."

Wade Lovelace, who has been with Schwab for many years, reports that until Schwab's death this year, new employees were flown every spring to the company headquarters in Prineville, where he vowed that if they would promise to learn. He would

of ranching with his tire business when, as a method to boost sales in a slow month, he began his Free Beef in February promotion. Buy tires, and get free beef.

Local stores continue this pattern and both local managers report that it has led not only to their own support for the area Beef Council, but has also made them proud supporters of the young producers of 4-H animals. Lovelace has supported 4-H animal sales for many years now, and pictures adorn the walls of his store of the young people he has helped. Knutz loved and participated in 4-H as a child and anticipates the time when his children are old enough to do the same.

This dedication to 4-H is a hallmark of Les Schwab Tire Centers. Knutz states, "There isn't a store out there that doesn't support 4-H by giving them time and money."



Dave Knutz, manager of the 17th Street Les Schwab Tire Center.

Les Schwab's caring and efficient business was built upon his private philosophy: "Success in my mind comes from having a successful business, one that is a good place to work, one that offers opportunity for people and one that you can be proud to own or be associated with."

Les Schwab—Legend for Our Time



Les Schwab, shortly before his death, in his trademark cowboy hat.

Les Schwab's life story should probably begin with "Once Upon a Time." Seldom in today's world do we find such a journey from rags to riches.

Born on a homestead near Bend, Oregon, in 1917, Les grew up in a nearby logging camp in a two-room shack with his two siblings; his mother, who taught school in a converted boxcar; and his father, a "gentle, decent, hardworking man—and a hopeless drunk."

Les was 15 years old when his mother died of pneumonia. That same year his father was found dead outside a moonshine joint. Although an aunt and uncle offered to take Les in, he set out on his own, supporting himself by selling and distributing *The Oregon Journal* newspaper so he could finish high school.

With hard work and with natural skills of salesmanship, Les managed to achieve control of all *The Journal's* nine routes in Bend before he turned 17.

Because this was in the middle of the depression, Les' high school principal was concerned for his well-being and visited with him to see how he was doing. To his amazement he discovered that Les was making \$200 per month—\$65 more than the principal was making and that Les owned the only new car in the school parking lot.

Les graduated from Bend High School in 1935 and married his high school sweetheart, Dorothy Harlan, shortly after. He remained in the newspaper business, eventually becoming the circulation manager of *The Bend Bulletin*, and buying their first home.

Les enlisted in the Air Cadets after the bombing of Pearl Harbor. It was a difficult time, and the Schwabs had to sell their new home.

After the war, Schwab went back to work at *The Bulletin*, again found success, bought another home and also attempted to buy into the newspaper. Unfortunately the owner wouldn't agree.

In 1952, in a giant leap of faith, the Schwabs sold their home, borrowed on his life insurance, secured a loan for \$11,000 from a brother-in-law and purchased a failing O.K. Rubber Welders tire shop in nearby Prineville. Up until then Schwab had never even changed a tire, but he recognized an opportunity and seized it.

The business at that time had a yearly gross of only \$32,000 and one employee, but by the end of the next year the little shop did \$155,000 worth of business, and a new chapter in American industry and commerce began to be written.

Schwab battled the "big boys" when he discovered that he couldn't make a decent profit under the tire

franchise agreements they offered him. He decided that brand names weren't worth the price and opted to go it alone.

Competing head-to-head brought on a fight that could have ruined him, but he held on and surpassed them in time. Now they were coming to him to observe the reason for his success. People in Prineville still talk about the visit of Francois Michelin who flew from France to tour the Les Schwab operation there.

Lessons learned by Les Schwab in his youth were never forgotten, rather they were translated into practices that have set his business apart and led to Les Schwab Tire Centers becoming a regional empire of 410 stores in six states with 7,700 employees and \$1.6 billion in sales in 2006.

Les Schwab died in May of 2007 at the age of 89, leaving a legacy of dedication to his customers and a work ethic second to none.



One of over 400 individual stores built as a partnership with Les Schwab.