



*Great Leaders
Great Organizations
Lasting Results*

Great Leaders are Excellent Problem Solvers, Extraordinary Leaders also Excel at Opportunity Finding

Establishing one car dealership, especially in today's competitive and often turbulent environment is a major accomplishment. Establishing 15 new car dealerships, two used-car centres, a multi-million collision repair centre and two Perma-Shine stores is an almost unbelievable feat.

My introduction to the O'Regan's occurred when I was invited to do a keynote on leadership at their corporate retreat for middle and senior management. However this was no ordinary retreat. The retreat took place at the O'Regan's summer home with a stunning view of the Parrsboro harbour. The catered dinner and the session took place in a converted cement garage and had just as much a feeling as a family reunion as an educational session. I also found out that Paul and his wife Mary were among the most welcoming and gracious people I have ever met.

B.M. How did you get into the automotive business?

P.O. I was born into the automotive business and worked as a child at my dad's Chevrolet-Oldsmobile dealership. My father sent my brother, sister and me to university and was particularly concerned that we not go into the car business. After university I ended up teaching high school science for eight years. However, I continued selling used cars to my friends in my spare time, so you could say I never really left the car business.

In 1972 my third son Danny was born with a heart defect and I was forced to take a leave of absence from teaching in order to cope with trips to Sick Children's Hospital in Toronto. When Danny died that September, I had a year of leave remaining and still had to earn a living, so I rented a gas station for \$100 a month and I hired one of my students to work with me. At the time, it cost \$62 a month for a business phone, which was too expensive, so we used the pay phone in the garage for a nickel a call. It was a very humble beginning. Then I hired a mechanic and another former student and both students are still with our company today. In 1981 my brother Stephen joined the company and started expanding the leasing side of our business. By 1983 we were selling over 700 cars a year.

Most body shops at the time were not doing good quality work. There were so many rusty cars in those days and for every good body repair job there were three bad ones. So I decided to go into the body shop business in downtown Dartmouth, along with an adjacent duplex. We fixed them up and the duplex rental helped with the expenses.

B.M. Tell me about your first franchise?

P.O. In 1985 we bought the Scotia Chev Olds dealership in Halifax. In those days, if you were a Ford dealer or Chevy dealer you couldn't sell anything else. We had great people working for us and when the opportunity came up to buy the Toyota dealership in Dartmouth, we arranged it so my brother Steve would be the dealer.

Then we bought the Nissan/Infinity dealership in Halifax and by this time we were doing quite well because we always did our due diligence. Then in 1987 when the economic crash came followed by the 1990-1991 recession, it was hard to get established in the automotive business. The automotive companies wanted people who were good operators and had a good cash flow. We had great employees and our approach was not so much as "car guys", but as a customer service business and we were very customer focused. We had and have great respect for people — both customers and employees alike.

All of our employees have to be ethical and we spend a lot of time hiring the right people. Our philosophy was that when you get a high performer you have to let them have a lot of autonomy, so we don't micro-manage. Also making people feel special is very important for me.

One of the hardest things I have found is helping people learn to fail. Some of the people who worked with us were very adverse to making mistakes and therefore not growing. We believe in helping people learn from their mistakes and then learning to move on. This is one of the best ways to learn how to make better decisions in the future.

Being customer focused is our competitive advantage because there are so many good cars today. Since I come from a teaching background — we train and train, and train again. I have always had a long term view and don't believe in knee jerk reactions. I realized that I had no special talents other than picking good people and encouraging their training and raising our standards. I had no idea that we would ever build this business the way we did.

B.M. How did you grow the business so rapidly and what were the strategies and skills that allowed you to expand so rapidly?

P.O. It's all about looking for opportunities. For example, car leasing became one of the biggest parts of our business and we were the first dealership in Nova Scotia to go into the leasing side of the car business.

Very few dealer groups have the variety that we have. If there were a problem with one brand, such as the recent Toyota recall problems in the US, at the same time Hyundai was really taking off and there were vast improvements in North American cars. Lastly my daughter Kathleen heads up our Human Resources Department and we have other young women at the top to provide a different perspective and this is critically important because so many of our customers are female.

B.M. There is no question that Leadership and Entrepreneurism frequently go-hand-in-hand. When all of this happens in a Family Business, it adds another dimension that must be accounted for, especially when it comes to succession planning. For example, sometimes the children have other areas of interest. Sometimes they don't have the right skills sets, and sometimes they don't get the same feedback that other employees and managers receive because they are the children of the owners. What was your approach to succession planning?

P.O. When they were younger, I intentionally sent our children out to get experiences outside of the family business. I did not want them to work in a place where they would be treated differently just because they had the right last name. It was also a chance to prove themselves on their own, and that would be my advice for any family-owned business. One day they came back and said they wanted to work in the car business and they told me that if they were not allowed to work in the family business, they would go to work for the competition — so I knew they were ready to work in the family business.

I then hired a consultant, Dr. John Fast, to help us with the transition. He used 360 degree feedback when the boys were in their late 20s — and the boys were not overly pleased with some of the results. I knew if the boys didn't have the respect of the managers, they were cooked. Dr. John also did 360 degree feedback on all of the top managers, on me and Steve, and there were no great surprises.

We mentored the boys and developed their strengths and five years later, the 360 degree feedback was redone and everything turned out very well. In other words, there were no free rides in the company and this was especially true for family members because we had to set the best examples possible.

B.M. What advice do you have for other emerging and/or seasoned leaders?

P.O. It is very important to have a great set of mentors, to put your ego in your pocket and it is extremely important to set an example of what is right and wrong and make ethical decisions. I also believe that all of the ups and downs are all opportunities. We just have to be diligent in looking for them and learning from them.

B.M. You have been involved in a lot of Philanthropic work. Can you tell me more?

P.O. I have always felt that you have to support the community. We support 38 organizations that are referred to us by our customers and our staff. I also worked for 17 years with United Way and helped with strategic thinking for their campaigns, I also work with the Heart and Stroke Foundation and was on the board for St. Francis Xavier University. I was also privileged to work with the Coady Institute and recently visited India where the institute provides micro credit for emerging entrepreneurs.

Today I provide some advice to the boys. I am not a person who would spend a lot of time on the golf course because I like projects too much. I would rather wear out than rust out. Generally speaking I get a fair number of calls to help mentor young people.

B.M. So in that respect, your career in teaching has come full circle.

P.O. That's true. At this point I don't get involved in the day-to-day business but I still sell a lot of cars because I meet a lot of people and refer them back to our company. I need to point out that I never could have done all this without Mary's support.

There are a number of critically important lessons that stand out from this interview. The first is that Extraordinary Leaders develop multiple skill sets. Among the skill sets that Paul O'Regan developed as reported in the literature from Harvard University, include being a master at opportunity finding as well as problem solving and this strategy occurred time-and-time again in our interview. Paul paid extreme attention to customer service, picking and developing the right teams and continuous development of his staff. He showed no favourites to his children and they had to earn their way into the business and he used 360 degree feedback to help his staff develop their strengths and mitigate their weaknesses. He models the fact that we will all make mistakes and that making mistakes are critically important to our growth — but only if we learn from them. In fact, he says that he spends a lot of time mentoring others and one of the lesson he teaches them is that if they are not making mistakes — they are not growing. Lastly Paul and his wife Mary naturally make people feel special and earn the loyalty of everyone who comes into contact with them — including the author of this newsletter.

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