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**A Rural 12-Volt
Success Story**

The *Low-Fi* Generation

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How a small, specialty 12-volt store carves out a niche for itself in rural Vermont.

A Triumph in the Northeast Kingdom

*By Micah Sheveloff
Editorial Advisor*

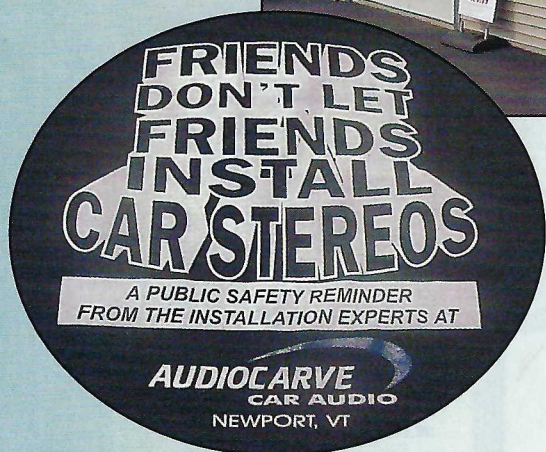
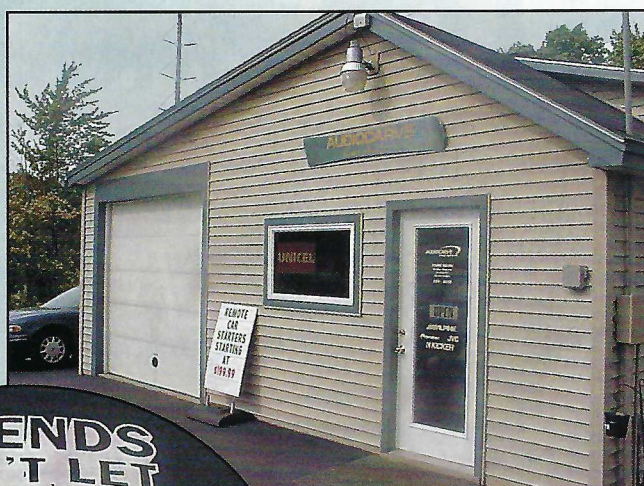


Jim and Sherri Sullivan stand in front of the presence they have created for 12-volt in rural Vermont.

Jim Sullivan chose the name AudioCarve for his business because it addresses his two life passions: audio and snowboarding. According to Jim, a “carve” is a good, sharp turn when skiing or snowboarding. Jim and Sherri Sullivan have overcome the difficulties of life in a small, isolated community by selling great service in a neat, clean establishment. They have truly carved a niche for themselves, providing mobile electronics sales and installation in Vermont’s scenic Northeast Kingdom.

In order to fully appreciate the challenges that AudioCarve faces each day, one has to take a moment to look at exactly where Newport, Vermont sits on a map of New England. The upper right-hand portion of Vermont is fondly referred to as the Northeast Kingdom, a vastly unsettled and wooded expanse dotted with a few small towns located along a single access belt named I-91. The highway leads straight to the Canadian border, and Newport is there, the last town on the Stars and Stripes side of the great divide. The small city is nestled by the shore of Lake Memphremagog, an international body of water touching both the US and Canada. Two large employers, Ethan Allen Furniture and Columbia Forest Products (makers of plywood) drive local industry in Newport, as well as a host of regional small businesses. Jim Sullivan started doing car audio out of his home in 1987, and established himself in his current Route 105 location in 1997. He bought the abandoned property that had once been a body shop, but was now run down and neglected. Along this heavily traveled route into Newport he built his home and his store.

“Sure, sometimes I am out mowing the lawn on a Sunday, and someone will stop by and ask me if I want to do an installation,” reported Sullivan, who rehabilitated the facility little by little as he grew his busi-



ness. Jim's wife Sherri also works at AudioCarve, handling cellular sales and greeting customers as they come into the store. "I had been working at a body shop, and I was the guy who always did the electrical work, I enjoyed it," Sullivan reminisced. It wasn't long before Jim's reputation had spread to the car dealerships as the go-to guy for radio installations, motivating him to start his company.



Part of the Community

Jim explained that the Northeast Kingdom has the weakest economy in the state of Vermont, and features the highest level of unemployment. "There is a lot of middle class here, and a large portion of my clientele is of an older age group," he explained. "I try to be there for all of my customers," said Sullivan, moments after explaining the features of a newly installed remote start system to an elderly woman.

Because of the extremely cold climate (the winter of 2003 saw several weeks straight of -30 degree temperatures), remote start systems are understandably popular in Newport. "I want to have something in my store that I can offer the customer who only has \$100 to spend, as well as those who want a full system," Sullivan said, as he pointed out how consumer interest in cellular has brought both added profits and new customers to his business.

Despite the limited total sales potential of an account such as AudioCarve, Sullivan is thankful for the support he has gotten from vendors such as Alpine and Astroflex, a Canadian alarm/remote start manufacturer located about 30 minutes from Audiocarve.

"I used to have many lines, trying to carry whatever was thought to be the product of the week. I have since learned to stand by the lines that I have and the services that I offer." Sullivan fired up his



Maintaining clean, simple displays is important in a small shop such as Audiocarve.

A Triumph in the Northeast Kingdom

Audiocarve's in-store displays focus on audio, the shops bread and butter.

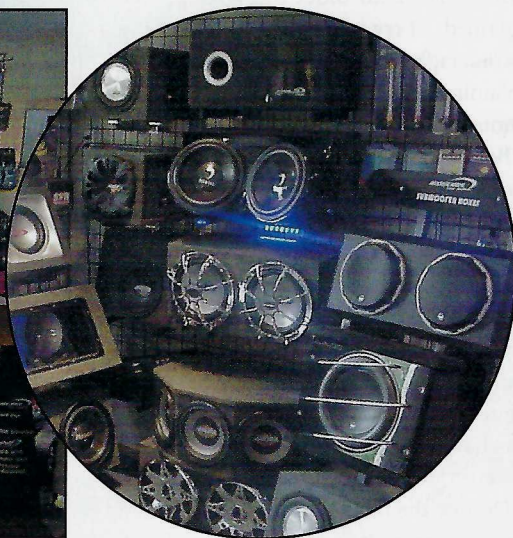


laptop computer in order to show off the instructive support software provided by Astroflex, removing the mystery for installers trying to decipher new car wiring.

"They provide wire colors as well as pictures of the factory harness where key wires are located. They also show dash photos and full color pictures of the car, making the software a great sales tool that inspires confidence in a prospective customer," Sullivan said.

Sullivan also recognizes the value of working with the local car dealerships.

"You have to learn to float invoices for 30 days. But that paycheck will be there. I think a partnership with a dealer can be a good thing, although it may not be for everyone," he said.



“ I have to spend a lot of time educating my customers, explaining how they can have great quality in a loud system. Quite often, customers have misconceptions about what they need from what their friends have told them. ”

—Jim Sullivan

Struggling Market

The recent downward sales trend of mobile electronics products that has plagued most of the U.S. has also affected AudioCarve.

"I suspect that the performance craze has taken a bite out of electronics sales," said Sullivan. "The kid's disposable income that we rely on has moved from the inside of the car to the outside, with items such as cosmetic kits and chrome wheels. It is about individuality with this customer, and our industry needs to work harder in order to make certain that we will be able to integrate aftermarket products into new vehicles in the future. These kids want to add some color, some excitement on their dashboard by buying new head unit. The OEM is trying to take that sale away from us by integrating the factory radio with other systems, such as the heater controls," Sullivan said. "All that is left for us is the upgrade sale using a high-level converter."

Sullivan was also critical of the industry's propensity to give away its wares.

"We have some of the coolest things to offer, such as tiny little cell phones packed with tons of features and XM Satellite Radio, and what do we do? We give these things away to consumers virtually for free! As independent retailers, we have specialized skills, knowledge, and an opportunity to provide a great service to our customers. Installation of audio systems and remote start devices require a trained technician. We should not have to give these things away," Sullivan emphasized, relating how the drop in price of satellite radio-ready head units shortly after their initial introduction left him holding on to devalued inventory.

"Now who do you think had to absorb that loss," he queried, as he pointed emphatically at his own chest.



Jim has begun to move into video as the market demands, and does stock low-cost accessories.

A Triumph in the Northeast Kingdom



Custom fabrication plays a big role in Audiocarve's business.



Showroom Condition

The Sullivans keep the AudioCarve showroom spotlessly clean and neat, including the multiple installation bays on site.

"I had a customer with a '55 Chevy who decided to work with us because he was comfortable with the fact that we had a clean, safe space for his vehicle," explained Sullivan.

The showroom, although small by most standards, is neat and orderly. There is a small plasma screen used to run promotional slide shows during business hours, and a new display is on the way from MTI.

"I like to keep things tight and compact," explained Sullivan. "Everything here has a purpose."

Word of mouth has been instrumental in growing AudioCarve, and Sullivan explained that other local business owners in the community have appreciated his dedication and customer service ethic. "I am concerned that the damage done by unskilled installers will alienate consumers and make them afraid to buy our products in the future, such as remote start systems," said Sullivan.

In addition to the auto start business, AudioCarve sells audio packages to both sound quality customers and SPL enthusiasts. "I have to spend a lot of time educating my customers, explaining how they can have great quality in a loud system. Quite often, customers have misconceptions about what they need from what their friends have told them," Sullivan explained.

The Sullivans host a yearly car show at the store, and reps from the New England region make the trek north in support of the event. "We have a lot of fun and create some excitement about what we do here," Sullivan concluded. **AU**