

Addressing the Pains of Store Hiring at Tire Kingdom

Tire Kingdom is the largest independent tire and automotive services retailer in the United States, operating almost 700 stores with more than 9,000 employees. The Company began in 1972 with \$150 and 50 consignment tires in a 200 square foot stall at the West Palm Beach Farmer's Market. While operating as a cash and carry business, customers explained that they preferred to have their tires installed where they purchased them. With \$500 in borrowed money, tire-changing equipment was purchased, and Tire Kingdom was born. With the acquisitions of Merchant's Tire and Auto Centers, and NTB in 2003, Tire Kingdom has become one of the largest independent tire and auto service centers in the country.

But hiring good people is expensive, especially for a growing company like Tire Kingdom. Through acquisitions, they expanded from 250 to 600 stores in eight months, with little or no infrastructure to support this kind of growth.

Their hiring process was time consuming. Store managers would send paperwork in to the corporate office via fax where they would enter data into the system for processes like background screening and drug testing. After daily follow up they would email the store when a candidate was cleared for hire. Store managers would then collect new hire paperwork and fax it back to corporate for processing. The five-member corporate HR department was so bogged down in paperwork with just 250 stores, how would they manage 600? Would Tire Kingdom have to double or triple their corporate HR staff?

The Human Resources department at Tire Kingdom knew it was time to find a solution that would improve the efficiency of the process while providing field managers with more tools and applicants to choose from. "The simple fact was, the process was broken, extra staff wouldn't solve the problem," admitted Fred Cornman, Director of Field Human Resources at Tire Kingdom. But how would they sell the idea to company leaders?

Identify the costs

As obvious as the need for automation was, the next challenge would be to make a business case for the investment in an automated hiring solution. At first, the HR department focused on some of the standard HR metrics to support the case. Items such as turnover, manager time investment, interview time, and time to fill were considered and ROI models were built. However when they reviewed these "costs" it became very apparent that few if any of the items they factored in would be readily apparent on a P&L down the road. For example, while one



might conservatively calculate time saved by a store manager at one hour per hire, could the HR department guarantee that the saved time would generate sales? While most companies agree that turnover has a cost associated with it, if turnover were reduced, at what line on the P&L could they point to show the savings?

After careful review, Tire Kingdom approached the challenge from a more pragmatic standpoint. What dollars could they show were saved from day one? Items such as recruitment advertising, the cost of additional staff to support the new stores, and savings from an integrated WOTC program were now included in the ROI proposal. Benefits such as an applicant pool, and reduced time to hire were offered as value adds, not as part of the actual ROI calculation. “Soft costs” — those items that would not be immediately apparent from a financial standpoint — or those benefits that could not be identified as a direct result of the solution were minimized or eliminated from the proposal. These items were held out as the icing on the cake so to speak, rather than the cake itself.

Identify the benefits of hiring automation

Once they had a handle on the financial impact, they started looking at the benefits of hiring automation. With substantial feedback from the future end users (store and field management) Tire Kingdom’s HR team put together the requirements that would best benefit them. To avoid getting distracted by feature-rich solutions that may or may not help them achieve their goals, the team developed a list of benefits they felt would appeal to their store managers, while providing the end results of automation, visibility, and centralized control that were so desperately needed. The list included:

- Control over the hiring process in the field
- Instant access to hiring information, from start to finish
- A searchable database of pre-screened applicants who can apply 24/7
- Ability to pool applicants across locations
- Reduced paperwork and administrative burden
- Ease of use for field-level managers with little training necessary
- A non-requisition driven solution
- Ability to focus on strategic issues instead of tactical issues

These benefits were appealing to store managers and their interest was peaked. The HR team began looking for solutions with features that would support the benefits they had identified. They also needed a solution that would deliver on the promise of hard dollar returns on their investment.

Selling hiring automation internally

It can be tough to sell company leaders on any project that requires a financial investment. This savvy HR team knew that they would have to clearly demonstrate the benefits and projected savings of implementing the Kronos® Workforce Acquisition™ solution. They developed a proposal that focused on benefits instead of features, like giving the store managers control over the hiring process, and reducing paperwork and administrative burden for both store managers and corporate HR. When they talked about savings, they avoided the hard-to-define costs of turnover, or time to hire. Additionally, they had the buy in of their end users where the benefits would be felt the most — their store managers.

Increased productivity

The project was approved and they decided to move ahead and implement Kronos Workforce Acquisition. They rolled out the solution to 615 stores within 90 days. The system was simple and intuitive and they felt the impact almost immediately. Because the solution wasn’t requisition driven store managers didn’t have to open a requisition in order for a candidate to apply. And because applicants could now apply anytime and anywhere, Tire Kingdom’s applicant flow had increased to five times their open positions. Now that they had a pool of qualified applicants they were able to fill those open positions quickly and with better qualified candidates.

The hiring process was initiated and monitored by the store managers, however, the design of the system ensured that all hires were compliant with Tire Kingdom’s standards. While the end user had more control of the actual process, the process was controlled by design to guarantee consistency. Store managers now had the tools that enabled them to do this critical job in a fast, efficient, and cost-effective way.

Besides achieving the hard dollar return on investment they promised to company leaders, they also achieved many soft dollar benefits.



“The system elevated an average manager into a great manager by giving them tools to take the right steps and ask the right questions.”

Fred Cornman
Director of Field Human Resources
Tire Kingdom

- Administrative tasks were reduced by 75 percent
- They had the ability to support over 600 stores with only four corporate HR staff members
- 100 percent compliance was achieved on hiring procedures
- Store managers had complete visibility to the hiring process
- They now had the ability to focus on strategic issues versus tactical issues

Summary

“Automating field hiring is not an HR solution — it’s a business solution,” says Cornman. To build an effective case and get buy-in from company leaders and field-level managers, it’s important to first quantify your hiring costs, identify the pains of your current processes, determine the benefits of automating field hiring, and project the hard dollar ROI. For the HR team at Tire Kingdom, following these simple steps built a business case for automation that today has streamlined the hiring process, reduced costs, and delivered real-world bottom-line results.

