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## **The Roots of Success**

By: [Jessica Krippendorf](#)

### **DEALER PROFILE**

**Name:** Harbour City Motor Sport / VI Honda

**Founded:** 1987 / 2007

**Location:** Nanaimo, BC

**Product line(s):** Suzuki, Yamaha, Ducati / Honda

**Size:** 10,000 sq. ft. / 13,000 sq.ft. Showrooms plus parts and full service centres

**Geographical Area Served:** Mid-Vancouver Island

**Owner:** Dale Erickson

**Philosophy:** “Everything we do is built on customer service and trust.”

**Number of Employees:** 14 / 9

**Awards:** Suzuki Canada “Caring for Customers” Award at least ten times, possibly the most consistent winner in Canada

**Charitable Activity:** Harbour City supports annual Ride for Breast Cancer, and hosts its own Tofino ride with proceeds going to Breast Cancer

**Website:** [www.harbourcitymotorsport.com](http://www.harbourcitymotorsport.com) / [www.vihonda.ca](http://www.vihonda.ca)

**Phone:** 250.754.3345 / 250.754.6638

Just how easy can it be to sell powersports in a mid-sized town on Vancouver Island amid a failing forest industry and anything but good news coming from the US? That depends on the approach. Powersports and other “toys” can be the first to slip from consumer budgets when the economic horizon is uncertain, but that's when strong business practices and exceptional customer service really shine. Dale Erickson, owner of Nanaimo's Harbour City Motorsports and VI Honda has captured the mid-Island market for ATVs, motorcycles and power equipment and he attributes his success to a very basic principle: “Everything we do is based on customer service and trust.”

And it's true, not just because he says it, but because walking into both his 10,000 sq. ft. Yamaha / Suzuki / Ducati dealership and his 13,000 sq. ft. Honda Powerhouse is like hosting a tradeshow in your living room. The bikes are hot, the rooms immaculate and selection unbeatable, but equally as impressionable is the staff: friendly and approachable, yes; relaxed, at ease and comfortable absolutely. It's because from Erickson's 1987 purchase of Harbour City Motorsports (then Hub City Honda) to his opening VI Honda in 2007, he's managed to stay competitive without buying in to a Big Box mentality. Employee support and customer service are number one for Erickson, who has changed the face of his business over the years to accommodate an ever-changing marketplace.

One of the first realizations Erickson made was that the motorcycle business in general was extremely “male,” so much so that a woman coming into the store to buy a Christmas gift was visibly uncomfortable. “It was a Boys' Club,” says Erickson. “So we consciously changed the direction of our business by making sure the shop was always clean and family-friendly, we hired women and tried to stay more mainstream than specialized toward a male-only market.”

Another turning point for Erickson was his involvement with a company called Spader, which runs “20 Groups” specific to the powersports industry. Popular with automotive dealers for years, the use of 20 Groups is a business management strategy where 20 non-competing dealers are grouped together and take turns hosting the other 19 members at quarterly, two-day, in-house meetings. The host company grants group mates full access to its store for a whole day in which the operations, financials, layout, staff, practises and general operations are critically examined.

“It's pretty dramatic,” says Erickson. “On the second day you meet with your group and sit on your hands while everyone gives feedback about your operations. But I learned more about my business when I hosted and was critiqued than from any other meeting I attended.”

One of the most important things Erickson learned from his 20 Group was about how employees' quality of life reflects positively on the business. Harbour City's then six-day work week meant rotating shifts, which left a hole in customer service.

“We were consistently dropping the ball because we were never running on full staff. Customers would come in and say, 'I was talking to so and so yesterday' and everyone was in a scramble to find out what they needed to know,” says Erickson. “Not only that but you have to weigh the quality of life for your staff against the cost of being open an extra day.”

These days both Harbour City and VI Honda run Tuesday to Saturday and on the other two days the sign reads: Gone Riding! “The powersports industry typically has a high staff turnover,” he says. “These changes helped us immensely in increasing staff morale and lowering turnover.”

Possibly the biggest change in operations underwent was taking the Honda line out of Harbour City and opening VI Honda, a stand alone store. Erickson says the upset around Honda's exclusivity announcement four years ago was something he shared in the beginning, until he got the full story.

“At first I looked at it like I had 19 years invested in [Harbour City], and the value of that was evaporated in a heart beat. I sent an angry email that to this day I wish I could take back.”

“If there's one thing I've learned in all my years in business and,” he laughs,” 26 years of marriage, it's that our initial reaction is rarely an educated one.”

Once Erickson learned that Honda's philosophy was essentially focused on providing exceptional, consistent customer service and supporting dealers in raising the bar on what customers can expect when considering the product, he liked the idea.

“Honda wants customers to have the same level of service and same positive experience no matter where they go, or whether they are buying an Acura, a CBF1000 or a lawn mower.” This way, he explains, dealers can choose to upgrade their stores to reflect a higher standard of service, or turn over the line to stores capable of meeting the requirements. “I think if you asked people who used to sell Honda power equipment they'd say they were happy with being able to focus more attention on their other lines.”

Once he fully understood the concept he approached Honda about opening a stand alone store. “There's a lot of misconception about how this process came about,” he says, “but the idea that we were forced is absolutely false. We approached Honda and our proposal was accepted.”

Though the industry has had its ups and downs over the years, Erickson says the biggest challenge he's faced is happening right now with the volatility of the Canadian dollar and uncertainty about the US economy. He says most manufacturers are stepping up to help mitigate the impact and that it's important to educate consumers about the reality of the situation:

“Consumers forget where we live. Canadian dealerships will never be level priced with the US because we have health care, employee benefits and in some cases higher wages that add costs to our overhead that dealers in the US just don't have. It's unfair to think that the pricing should be identical because it simply isn't a level playing field.”

With both dealerships successfully tackling market issues and running smoothly, Erickson is excited about the future. His affiliation with Honda allows his entire team access to Honda's Training Center programs, which offer on-going education seminars for everyone “from sales staff to the lot boy.” Though the program is in its infancy, Erickson anticipates taking full advantage of opportunities to further the company's level of service, productivity and contribution to the community. His most valued accomplishment is survival and growth and all things considered, the future of his businesses is an open road:

“If you'd told me two and a half years ago I would have a stand alone Honda store I'd have told you you were out of your mind. But who knows. The only thing in life that is constant is change.”