

Most-improved Fremont Toyota doubles business - Ward's 12th Annual Top 500

Ward's Dealer Business, June, 1998

When Hank Torian, owner of Fremont Toyota in Fremont, CA, started selling cars in the 1960s, he was, by his own admission, a poor man. But like many car dealers of his generation, he was a success story waiting to happen.

By 1969 he had his first dealership. Today, he's northern California's number one dealer. He owns and operates 16 franchises at 11 locations. He plans to open a new Dodge store this year in Folsom, near Sacramento, one of the state's fastest-growing areas.

"Getting the right people is the key to this business," says Mr. Torian. "I don't have to look for the right people anymore; now they come to me. I have a good reputation, I treat my people right, some of them have the opportunity to make a lot of money. This is still a business where a person can succeed mostly with hard work. And when the economy is as strong as it is right now, we can really make some money."

Business has been particularly good at his Fremont Toyota location. Revenues have more doubled from \$61.3 million to \$124.9 in a single year, catapulting the dealership from No. 377 last year to No. 63 this year. It's the most impressive single-year gain in the 11-year history of the Top 500 list.

Mr. Torian explains, "We opened a brand-new store in the Fremont Auto Mall. We have 130 employees in that location. The market in northern California is stronger right now than I've ever seen it. Silicon Valley, which is eight miles south, has the lowest unemployment rate ever, so there's money in the marketplace. We don't really have a centralized public transportation system, so people need cars to get around. This area has made a fabulous recovery from the recession years of the early 90s."

Mr. Torian also lists his sizeable property holdings as another reason for the recent growth of his dealerships. "My new Toyota store sits on six acres of land," he says. "I have a Dodge store on six acres, a Chrysler-Plymouth store on nine acres.

"And I have 12 more acres I'm sitting on. You can't get land like that in, say, New York City. So I can stock enough vehicles to make delivery on the spot."

Despite the fact that Bay Area property, both residential and commercial, has long been some of the costliest in the country, a major influx of new population has spurred much of his dealerships' growth, according to Mr. Torian.

Since many of the newcomers are from Asia, Mexico, and the Middle East, Mr. Torian has staffed his dealerships to accommodate his new customers.

"The sales staff at any of our dealerships speaks anywhere from five to eight or nine languages," he reports. "The multi-cultural population is one of the things that makes California unique. And the best part, for me, is that they all need cars."

He notes that the auto retailing business is highly cyclical. But Mr. Torian cautiously predicts continued growth for his dealerships, at least in the immediate future.

"I feel confident we have at least three more really good years coming. I can't predict what will happen after that. I know that 1998 ought to be our strongest year. We're already 30-40% ahead of '97."