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By Kathy Showalter
Ricarts dealin' for diversification

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It would make perfect sense for Ricart Automotive Group to go public, says co-owner Fred Ricart.

After all, company officials anticipate gross revenues for 1998 will reach the \$700 million range.

But Ricart, who has branded his "We're dealin'" image so much that he's among the most recognizable public figures in Central Ohio, says it's not likely to happen.

Instead Ricart and his brother, Rhett, are diversifying the Ricart Automotive base, branching into automobile financing, insurance sales, cellular telephone sales and service, and recreational vehicle sales.

When they have the time, they're still in the market for new franchises to add to their "mega mall" line of new cars.

Ricart enterprises include:

* Ricart Automotive Group, which encompasses eight new-car franchises, several used-car locations and Ricart Vanland, which sells another 11 lines of RVs and conversion vans. In 1997, Ricart reported it sold and leased almost 30,000 new and used cars.

Ricart Vanland was developed for the conversion van trade. But interest in conversion vans diminished as interest in sport utility vehicles increased. To compensate, Ricart began selling recreational vehicles, some costing more than \$100,000, in addition to conversion vans from Vanland.

* Ricart Cellular and Paging, a nine-month-old business that is the largest retail contract dealer for Ameritech in Columbus, according to Ricart manager Chet Lynch. He said Ricart Cellular is third largest for activations in Ohio, behind Dayton-based Ludlow Cellular and Paging and Page US USA, based in Columbus. Ricart declined to disclose numbers.

* Central Ohio Credit Corp., an automobile financing group that the Ricarts founded in 1995 as an exclusive self-financing lender. That company is now developing business with customers from other dealers. The business operates from a Brice Road location that the Ricart group opened this year.

Brenda Whitson, COO and CFO of Ricart Financial Services, a division of Central Ohio

Credit, said the credit company has a portfolio of \$22 million in financed cars. Central Ohio Credit offers subprime financing to credit-worthy customers.

* Property-and-casualty insurance through Track Property and Casualty Co. Inc., a business opened, in part, to sell automobile insurance to Ricart customers. A 1997 decision by the Ohio Supreme Court cleared the way for the Ricart organization could sell property-and-casualty insurance.

* F&R Ltd., Wizzard, RF Venture I and RF Venture II - all real estate holding companies - and Ricart Ltd., an offshore holding company based in the Nevis Islands for credit life, accident and health insurance sold to automotive customers.

Ricart said the Ricart businesses have grown through the effort of their employees.

"We grew this business the same way every person grows their business," said Ricart. "It's through people - to be the best we can be ... But the spark was our marketing and the mathematics of our business processes."

The marketing has made Fred Ricart, who's in charge of marketing and sales at the Ricart groups, a household name and face in Central Ohio. His brother, Rhett, handles the administration of the companies.

What Fred Ricart calls the mathematics of the business is what is driving consolidation in the auto dealership industry: economies of scale. For example, fixed expenses of automobile retailing - like advertising - grow smaller per car as sales volume increases, making consolidation an appealing way to increase profits.

Size also lets the Ricart group respond better to seasonal changes in automotive retailing. Multiple franchises also can operate from one business office.

Ricart sales continue to increase this year. As of June 30, Ricart dealerships had sold 14,072 new vehicles. Dealer Business Magazine, a trade magazine that ranked Ricart Ford as the top-selling dealership from 1994-1996 based on total sales volume, ranked Ricart second for 1997 sales behind Los Angeles-based Galpin Ford. But Fred Ricart challenges the listing.

"Last year, we sold 5,600 more total retail units than Galpin," said Ricart. "I can't help if they charged more for their products. We are a discount store, period."

Like other Central Ohio businesses, the Ricart group is constantly searching for qualified employees. Fred Ricart is applying his nontraditional business acumen to that as well.

On Aug. 21, Ricart is hosting an employee appreciation "party" featuring 1970s rock 'n roll act Bachman-Turner Overdrive and the Kentucky HeadHunters, a guitar-based country rock group. All Ricart employees are encouraged to bring with them someone who is looking for a job.

Fred Ricart said how industry consolidation impacts Ricart in the future will depend a lot on how factory-owned dealerships operate.

Ford, for example, owns dealerships - in partnership with longtime dealers - in several markets. The concern is whether these factory-controlled stores will be given preference by the manufacturer for top-selling makes of Fords.

As the system exists now, people are loyal to car dealers if the dealers can provide the cars, Ricart said.

"People buy Freds. They don't buy the Ford. They buy the dealer," said Ricart. "There's a trust factor there."

Ricart Automotive Group sells the following brands:

Conversion vans:

Sierra 707 Explorer Gulfstream Starcraft Universal Phoenix Coachman

Recreational Vehicles:

Shasta Gulfstream Palomino Yellowstone Georgie Boy Pursuit Conquest

New vehicles:

Ford Nissan Mitsubishi Isuzu Mazda Hyundai Kia Jeep Eagle Chrysler Plymouth