



### Overview

**Country or Region:** Worldwide  
**Industry:** Automotive Aftermarket Services

#### Company Profile

For more than 60 years, TBC Corporation (TBC), one of North America's largest marketers of automotive replacement tires through a multi-channel strategy, has been a tire company ahead of the curve. Through worldwide operations spanning wholesale, retail, franchise and ecommerce, TBC provides customers top-tier brands and automotive maintenance and repair services with the underlying mission to exceed customer expectations. TBC serves wholesale customers in the United States, Canada and Mexico through TBC Brands, National Tire Wholesale (NTW), TBC International, and TBC de Mexico. Additionally, TBC responds to the needs of consumers in search of total car care at more than 720 company-operated tire and automotive service centers under the brands Tire Kingdom® Service Centers and NTB® Tire & Service Centers. TBC, through a subsidiary, also owns the Big O Tires® and Midas® franchise systems.

#### Business Situation

In January 2018, Sumitomo Corporation of Americas (SCOA) and Michelin North America, Inc. entered into an agreement to form a joint venture that would own TBC. In April 2018, the deal was closed and TBC was officially owned by the joint venture. Simultaneously, TBC assumed 100% ownership of TCi (excluding the commercial truck division) and began the process of merging Carroll Tire and TCi to form National Tire Wholesale (NTW). NTW is one of the largest wholesale/distribution companies in the United States. The partnership presented an opportunity to successfully integrate the companies quickly and efficiently with minimal service disruptions.

#### Solution

TBC embarked on an aggressive organizational development strategy, launching two major leadership programs as the cornerstone: Business Value Added (BVA) and Business Essentials Program (BEP). The idea was to leverage workplace learning as a social process to help integrate and align on the way forward.

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## TBC Corporation's Executive Development Strategy Leverages Simulation, Emulation and Real-world Project Expertise



*"Throughout 2019, TBC was recognized as one of the 50 Most Engaged Workplaces in North America and embarked upon world-class executive development programs. This is supported by our CEO, whose personal commitment—both in time and energy—is critical to our success."*

**Terri Hoskins, SVP and CHRO, TBC Corporation**  
**Pete Cuozzo, Vice President, Change Leadership**

### Situation

TBC Corporation's CEO, Erik R. Olsen, recognized the need to accelerate the "forming-storming-norming-performing" curve that all new joint ventures experience. What was originally a two-year plan to integrate IT platforms, work processes, physical facilities, materials flow, enterprise software, customers and associates, was condensed to nine months in order to get the new company operating at full capacity. "We made a commitment to integrate our organizations in the most prudent and efficient way possible," said Olsen. "We never lost sight of that commitment."

### Solution

Olsen initiated the call for an enterprise-wide talent development strategy, turning to TBC's senior vice president and chief human resources officer, Terri Hoskins, and Dr. Pete Cuozzo, vice president of change leadership, to create an integrated talent development framework based on input from a multitude of TBC associates.

TBC partnered with TRI Corporation to co-design and co-facilitate two critical leadership programs: BVA and BEP. BVA's purpose was to inculcate economic profit (EP) into TBC's daily operations, while BEP was designed to build and enhance skills around leading self, leading others and leading the organization. BVA launched in November 2018 and BEP followed in August 2019. A third program, Leadership Essentials Program (LEP), will launch in 2020, affording an opportunity to work closely with associates at company-owned retail stores, distribution centers and with functional managers.

"We look at professional development across three domains: experience-based, relationship-based, and education-based," said Cuozzo. "Our leadership programs blend all three to create an interactive and highly experiential learning environment for our associates."

Both BVA and BEP use a blended learning approach; they differ, however, in the core vehicles they employ to drive learning outcomes—a competitive business simulation for BVA versus a customized collaborative emulation for BEP. The distinction? A simulation involves a competitive team-based leadership of a hypothetical company and industry. An emulation mimics a real company in a real industry using real data.

### Business Value Added

The educational objectives for BVA are comprehensive and far-reaching:

- Create a vision, set a strategy, communicate it effectively, and drive alignment to execute on the plan;
- possess and operationalize a deep knowledge of all aspects of business acumen;
- make decisions under uncertainty (e.g., limited information, time pressure, divergent opinions, etc.) from a system's perspective;
- develop, coach and motivate team members;
- be a value-added business partner to all operations/functions and deal with their interdependencies; and
- apply BVA learnings in a team environment on a TBC strategic project.

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## Benefits

- ▶ More consistent and robust leadership culture
- ▶ A “leader as coach” mentality across TBC
- ▶ More effective cross-functional, cross-business relationships
- ▶ Stronger financial and business acumen
- ▶ Greater understanding of and alignment with the broader corporation
- ▶ Incremental value added via C-suite-sponsored, enterprise-wide projects

## Business Value Added (continued)

“One of TBC’s core values is to be fiscally responsible,” Olsen explained. “In the BVA program, the executive leadership team had the opportunity to work alongside of our associates to bring this value to life. It’s one thing to talk about it—it’s another to deliver it on a consistent basis. We used action learning to take economic profit from theory to reality.”

The competitive business simulation TRI Corporation designed for BVA takes place during a four-day in-residence program. Within the simulation, BVA participants are grouped into three teams, each tasked with running one of three competing companies in an aggressive marketplace over a simulated two-year period. Participants have to develop and execute on their strategy, making a variety of operational decisions in a dynamic industry—often without complete information and under tight time constraints. TRI coaches role-play customers, suppliers and other characters to make the simulation more interactive and “real”—a departure from the typical computer-based simulation. Participants negotiate pricing and terms, practice influencing and presentation skills, and strike a balance between the hard and soft leadership skills needed to win in the marketplace. TBC senior executives are actively involved, listening to and constructively critiquing participants in operational reviews at the end of Year 1 and Year 2, another departure from computer-based simulations.

Senior executives also serve as champions for the BVA action learning projects that follow the in-residence program. Themes for these projects have ranged from a culture of safety to the value of data. A comprehensive project charter is due one week before the start of

BVA to align all team members on their project’s scope and expected deliverables. Time is reserved on each of the first three days for the project teams and their champions to plan the way forward—each meeting requiring a set of deliverables before the team can proceed. At the conclusion of the in-residence program, project teams continue to work over a five-month period, culminating in a boardroom presentation to TBC’s senior executives.

## Business Essentials Program

The educational objectives for BEP are complementary to those of BVA:

- Gain self-awareness across a spectrum of assessments and feedback sessions;
- develop a working knowledge of TBC’s leadership framework;
- delve into critical soft skills such as coaching, conflict management, influence and executive presence;
- be a collaborative business partner to all operations and functions;
- enhance one’s knowledge of operational finance;
- create long-term growth from a responsible mindset in meeting commitments, accountability and prudent risk-taking; and
- apply BEP learnings to enhance one’s Individual Development Plan (IDP).

According to Hoskins, “With our Business Essentials Program, we are providing our key leaders an environment in which to grow and refine their skillsets, develop some new ones, and network with their peers across the enterprise.”

For the emulation at the core of BEP, TRI interviewed more than 50 TBC executives and employed actual TBC financials and leadership and market challenges to create Automotive Service Corporation (ASC), a hypothetical company that closely resembles TBC.

Because TBC had historically grown through acquisition, it developed an underlying “holding company” mentality that drove silo-type behaviors. The BEP emulation requires participants to adopt more collaborative behavior

to produce synergistic financial and non-financial results. Participants are divided into four teams—retail, wholesale, franchise and supply chain—each responsible for its own department as well as a set of enterprise financial metrics and KPIs they need to drive across ASC. They are challenged by ASC’s CEO with three enterprise-wide stretch goals all with specific goals recognized: 1) grow revenue; 2) increase margins; and 3) increase cash. Financial metrics include net sales, EBIT and cash; KPIs include innovation, profitable growth, integrated people processes and a focus on the customer.

The emulation is played across three hypothetical fiscal years, with each team disseminating, reviewing and acting upon financial results. Over the course of play, TBC senior executives “interrupt” teams with real-world leadership challenges to which the teams have 15 minutes to respond. Each team member has the opportunity to provide a one-on-one response to the TBC executive as the rest of the team listens. The executive scores individuals on their technical response to the challenge and on their leadership presence. These ratings impact each team’s financial and non-financial performance.

Participants enter BEP with an IDP listing two to four key short-term development goals that they have aligned with their manager. They are encouraged to consider their development across three domains: educational-based (attending a seminar or obtaining a certification), relationship-based (completing a 360 or engaging in a coaching/mentoring relationship), and experienced-based. Throughout the program, they have time, both individually and in peer groups, to reflect on and revise their IDP.

In one of the most powerful interactive sessions of BEP, participants are asked to be prepared to discuss a financial challenge they or their department face. Participants then choose four of those challenges in plenary and collaborate on action plans to address them.

Both BVA and BEP use an action research methodology to continuously improve each subsequent offering based on feedback from participants and senior executives. With both

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programs, learning continues well beyond the in-residence portion—up to a year if team members stay associated with their action learning project.

By treating leadership development as a process, not an event, and applying it across the global enterprise, TBC Corporation has created a distinct competitive advantage.

## Participant Testimonials

*“To look at Economic Profit—and not just EBITDA—as a KPI really made me look at the organization completely differently.”*

– BVA participant

*“Came in hesitant, had a great time and learned so much. The simulation was the best I’ve ever been through.”*

– BVA participant

*“Outstanding program. Taught me about leadership, business ownership, executive presence and how various initiatives impact our business.”*

– BEP participant

*“It was awesome! Total engagement. You’re forced out of your comfort zone and into your true potential. Provided me the opportunity to develop to the next level.”*

– BEP participant

## For More Information

To learn about how TRI Corporation experiential learning services can benefit your organization, visit [www.tri-sim.com](http://www.tri-sim.com), or email [TRIContact@tri-sim.com](mailto:TRIContact@tri-sim.com).