

Case study for Chapter 3

Snap-On Tools

Snap-On Tools is a worldwide franchise company which supplies tools to garages, light engineering firms, aircraft maintenance hangars, boatyards, and indeed any engineering business. The tools are high-quality, professional products which are suitable for professionals: hand tools, power tools, diagnostic equipment and so forth are all part of the range. Franchisees sell the tools from vans. The typical Snap-On franchisee is a former mechanic or engineer, and he or she is given sales training, product training, and market intelligence in order to provide the service to the customers. The vans are large – usually Mercedes vans are used in the UK, and the inside is fitted out like an Aladdin's cave of tools and fittings. The vans are large enough to walk around in, and operate as a mobile showroom as well as a transportation system. Franchisees are expected to call on customers once a week, and thus they establish a rapport with their customers: this enables them to make recommendations which are trusted, and which will help the customers to grow their businesses.

Franchisees have varied backgrounds, although most have some kind of engineering or mechanical career behind them. One example is Matt Carson, who was a motorbike mechanic: at age 22 he suffered a major accident which smashed one hand. Working on bikes became difficult, and riding them was impossible so he was forced to consider a change of career. Obviously he could have claimed disability benefit and lived on State welfare benefits, but he decided to try a Snap-On franchise. Because he has no money, he had to start by working for Snap-On running a company-owned route, as an employee. He already knew the company well, having used their tools when he was a mechanic, but the sales training and business training generally was very useful. After a year he was able to buy his own franchise and put that training to good use – within a year of owning his own franchise, he had built the business up to £200,000 a year and was able to buy a second van and employ his father to drive it.

Another example is Simon Stack, the Snap-On franchisee for York. Simon left school at 15 to become an apprentice garage mechanic, but when he turned 21 the garage could not afford to pay him the full mechanic's rate, so he was forced to leave. He applied to become a Snap-On franchisee, and went on to become the largest tool supplier in York. 75% of tool boxes in the York area are Snap-On, supplied from one of Simon's three trucks. Simon believes in concentrating on service – the Snap-On parent company supplies the marketing materials, but Simon knows his customers and their needs, and also knows exactly what he has in stock. If a customer needs a specialist tool for an unusual job, Simon knows that one or other of his trucks will have it, and he delivers it to the customer immediately. This means that the customer does not have to call the car owner and say that the car won't be ready – which of course improves the garage's profitability and reputation in the long run.

The list goes on. Snap-On franchisees include ex-servicemen, ex-market stallholders, ex-mechanics, in fact people from all walks of life. Often the franchisees come to the business with little more than a positive mental attitude and a willingness to learn, but with perseverance and the Snap-On training, many succeed beyond their wildest dreams.

Case study questions

1. What role does a positive mental attitude have for the Snap-On franchisees mentioned above? *In at least two cases (Stack and Carson) the opportunity to sit back and live on benefits was available. Both of them decided to work instead, and both have created successful businesses.*

2. How might a Snap-On franchisee prepare for selling? *Franchisees need to look smart and to understand the businesses they are calling on, but they also need comprehensive product knowledge. This means understanding the engineering aspects of the business, and also keeping up-to-date with developments in the design of the tools they sell.*
3. What advantages does a background in engineering provide for a franchisee? *Apart from the obvious knowledge of the use of the tools, franchisees with an engineering background can establish their credibility with customers.*
4. How might a franchisee develop a journey plan? *Because franchisees call on customers once a week, they need to plan a separate route each day. In most cases, the franchisee's territory will be small in size – perhaps one part of a city, so that calls can be planned on a circle basis. In a few cases, where the area is largely rural, the franchisee might need to use a hopscotch or a petal system.*