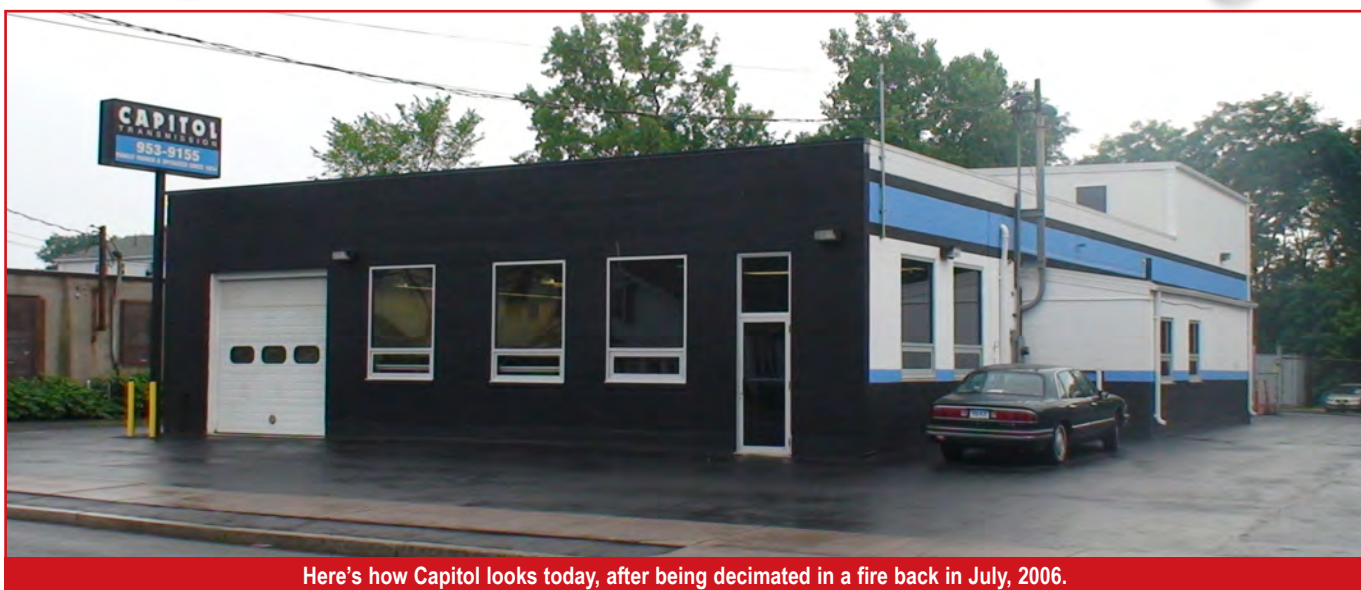




by Steve Bodofsky
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Capitol Transmission and Auto Care: *79 Years... and Counting!*



Here's how Capitol looks today, after being decimated in a fire back in July, 2006.

Over the last few years we've visited a lot of longtimers... shops with 40... 50... even 60 years or more fixing cars. That's a long time to be in this business... or any business for that matter.

But no shop we've talked to has come close to the folks at Capitol Transmission and Auto Care in Hartford, Connecticut. They first opened their doors back in 1934: 79 years ago this year!

Think about that: 1934. The country — in fact, the world — was in the middle of the Great Depression. People were lining up for soup and bread; few were worried about getting their cars fixed. Not a terrific time to start a business. But Paul Cordilico Sr. had a vision and the desire to fix cars. So he opened his shop — Paul's Garage, then a general repair shop — and took his



The fire completely gutted Capitol's original building, leaving nothing but a crumbling shell.

first steps as a business owner.

After World War II, the first automatic transmissions started showing up on the road. And Paul Sr. saw those automatics as the road to success. So he went from general repairs to transmission-only, and in hindsight it was probably one of the smartest decisions

he could've made.

Today the shop is called Capitol Transmission and Auto Care. "From about 1945 to 2000 we were strictly a transmission shop. We didn't add general repair again until 2000," explains current owner Paul III; Paul Senior's grandson. "But even now, that 'Auto Care' is the second half of the name. We're still predominantly a transmission shop."

Generations Follow Gens

One of the more interesting points about the family dynamic at Capitol is one of timing: Their family generations follow the different business generations for our industry that we've discussed in the past.

Paul Sr. operated his business during Gen I, when it was about bringing the craftsman's approach to the



Here's how things looked after the debris was carried away.



Then construction began in earnest. The old walls were torn down and new ones took shape.

industry. "He was from the first generation of technicians to get involved with automatics," explains Paul III. "For years, the secret to the transmission business was that the rest of the industry was afraid of the automatics." And his grandfather took full advantage of that, by becoming versed in the technology from its earliest days.

Paul Jr. took over in the '70s and operated it through most of the '90s. This follows the time period assigned as Gen II, when sales became the driving force of the transmission repair business.

Paul III took over in the late '90s, as the business was changing once again into a more service-oriented model, where the goal was to "create a customer," rather than simply about sales.

How did this generational alignment affect the business model at Capitol? For one thing, it means that there was no real overlap in business strategies. Since the business passed from one family member to the next as the business environment was changing, there was no need to abandon a previously successful business model in favor of a new strategy. Each family member was able to approach the business from a unique perspective: One that was tailored to meet the requirements of the current business climate.

And Paul III's background was well suited to his new role in this industry. Paul was never a technician; he never really worked in the shop, preferring to attend Clark University in Worcester, MA where he earned his Master's degree in business. He spent five years in market research before returning home to take over the family business.

In fact, Paul III never really wanted to get involved in the auto repair business. But in the late '90s his mother became ill, and his father was torn between running the business and taking care of his wife. So in 1997, Paul stepped up and returned to take the reins of the business.

What makes Paul a successful business owner? "The gift of gab... that's all I have. All I'm doing is selling myself and building a rapport with customers. It's the part of the business that I enjoy most."



Today the shop boasts two huge doors out back, allowing Capitol to service large trucks as well as cars.



A look from inside the newly renovated building reveals a clean, spacious work area.

A Capitol Reputation

One thing that's followed the Cordilico family from one generation to the next has been their desire to serve their customers. "We've always taken care of our customers," says Paul. "We like to help people and we aren't focused on the money end of the business. If you take care of the customers, the money follows naturally."

Paul is quick to acknowledge that his family history and



Capitol even included a large truck lift, to take full advantage of their roomier, open space. Brian Risor is putting the truck up on the lift - he is Capitol's center manager and has been a company employee for 28 years.



Grand Reopening: Getting ready to open the new doors for the first time: from left to right: 1) Lew Brown (advisor to Mayor), 2) Paul Jr., 3) Paul's cousin James Battaglio and 4) former Mayor Eddie Perez

reputation in the community are valuable assets when it comes to building those relationships. And that reputation can carry over for years. "We recently had a customer in for a transmission problem for a second time. Her first visit was to my grandfather's shop, back in 1965!"

Today a lot of people consider transmissions to be a commodity. But according to Paul, that's just part of the story: "Sure, transmissions have become a commodity... to a point. But they don't diagnose themselves, and I can show you some units that can take even the most experienced technician a day and a half to install. There's still a demand for a quality transmission repair shop."

And although Paul isn't a technician, he considers that a benefit when dealing with customers. "It allows me

to relate to customers from their perspective. When I'm talking to customers, I don't lose them in technical jargon. I can speak to them at their level, and I can understand their concerns because I'm in the same situation they are."

He's also quick to give small repairs away. "If the job would've cost under a hundred bucks, I'd rather give it away for nothing and hand them a stack of business cards. I don't want to waste time writing up a tiny invoice, and that free job does wonders for generating referrals... referrals that often turn into major repairs."

Marketing Capitol

As with most shops, Capitol has reduced its presence in the Yellow Pages over the last several years. This year may be its last for a listing there.

That marketing budget has migrated to the internet. Their site, www.capitoltransmission.com, provides them with substantial marketing support. The site is designed and maintained by Autoshop Solutions, Inc., and Paul can't praise their work enough. Danny Sanchez, the owner, has provided his knowledge and support to the industry through *GEARS* and at Expo for a number of years.

"I used to spend about \$20,000 a year for advertising in the Yellow Pages and got back maybe \$50,000 to \$75,000 on my investment," says Paul. "Today I spend about \$15,000 a year on internet

advertising, between my web site and Google, and that's returning about a quarter million a year in business.

"The phone keeps ringing and we source everyone who calls. 'How did you hear about us?' 'Internet,' 'internet,' 'internet.' 'You came up right away.' I'm in the top three listings, so that's Danny doing his thing. Or 'you came up on my phone. I was able to click through... it was easy,' and so on.

"Then there are the shops that just create their web site and that's it. No marketing... no SEO. How do people find them? They don't... because they're on the 12th page. That's why Danny's my guy for everything on the web.

"We also send an e-newsletter that goes to about 1200 people a month. It's a real tidy newsletter, colorful and short; it has car tips... not too technical.

"Danny got us into social media recently; we're on Facebook and Twitter. And he sends out marketing tools that you can put into your shop, such as posters that ask customers to follow us on Twitter. I can't say enough about how much online marketing has benefited us."

Then again, even the best SEO can have its downside. "For a few weeks we were getting calls asking about used tires. One guy called looking for a used tire for his motorcycle. So I emailed my rep at Autoshop Solutions and asked him to take out the tires reference. And those calls stopped pretty quickly."

Capitol still receives a lot of referrals from the general repair industry; they have strong relationships with several shops in the area. "They send a lot of work our way," says Paul. "These are terrific general repair shops that are just too busy to get involved with remans. They prefer to stick with their bread-and-butter — engine jobs or timing belts — and refer their transmission problems to us."

Paul's dad keeps his hand in the business through outside sales, visiting shops in the area to keep Capitol's name in front of them. And it works well: Today they have about 20 shops that use them regularly for transmission repairs.

How does Paul handle those referrals? That depends on the referring shop: Some shops like to take the job in themselves and farm it out to Capitol.



The next generation of success: Shop owner Paul Cordilico with his son, Paul IV.



Paul, Irene and Paul IV celebrating Irene's birthday.

Others are happy to refer the customer directly.

“Those referrals are great, because the customers are already sold before they reach our shop. We’ve been referred by a guy they love, so we’re pre-approved.

“Of course, it’s understood that we won’t take them as a general repair customer. It’s important that we never ruin their relationship with the referring shop.”

How does the referring shop profit from sending their work to Capitol? “What they get most is a satisfied customer. Sure, we have an arrangement with each shop... maybe they get a gift card or a commission... but the main thing they’re looking for is to keep their customers happy. It’s relationship based and it’s about trust,” says Paul.

Remans and Rebuilders

Capitol doesn’t use remans. Not that Paul has anything against them; he just prefers rebuilding his own units for now. But he recognizes how remans have changed the game.

“Before remans, it was nearly impossible to find a qualified rebuilder. They were like high-priced free agents. Then companies like Certified showed up. Suddenly the rebuilders I’d been chasing showed up at my door, looking for a job. I chose the two best guys, and they do a terrific job for me and my customers.”

Paul tried remans for a short time. Back then he dealt with smaller reman companies, and the comeback rate was

just too high. So for now he’s sticking to the custom rebuild route.

But Paul knows Peter Fink from Certified personally, and he’s happy to acknowledge how Peter has changed the industry. And if he were ever to make the switch to remans, he’d contact Certified first.

Fire at Capitol

In July 2006, there was a fire at Capitol; the building basically burned to the ground. For many shop owners, it’d have been the perfect excuse to close the doors and walk away for good.

Paul had a different idea: He moved a trailer onto the lot and operated his business from there. He met customers and took in jobs, right from the location they were familiar with. Meanwhile, he rented space in a shop nearby. He transferred the cars to that shop, handled the repairs there, and then delivered them from his trailer “office.”

“The trailer worked out great, because it allowed me to maintain my location while keeping an eye on the new building construction.” It wasn’t long before Capitol was up and running in a beautiful new building. And thanks to Paul’s foresight, his business was never interrupted.

Capitol and ATRA

Capitol has been an ATRA Member since about 1999. And Paul has attended *Expo* several times since joining ATRA. It’s been a valuable relationship for providing technical and business

support, and for building relationships within the industry.

Paul pays particular attention to the articles and information that ATRA provides in *GEARS* for shop management. He’s worked directly with many of the management advisors who’ve been an integral part of the management track at *Expo*. And he’s put a lot of what he’s learned to use.

While he’s not as well-versed in the technical end of the business, Paul is also well aware of the value that ATRA’s technical support brings to his business, and the industry as a whole.

In fact, it was Capitol Service Manager Brian Rizor who worked hand-in-hand with ATRA Technical Advisor Bill Brayton to identify a parts problem that labeled the wrong shift solenoids for the Honda Odyssey (*GEARS*, October/November 2012).

Brian was the “eyes and ears” for the ATRA HotLine, and his tireless efforts working with Bill to identify the root cause of the problem helped provide valuable data for the entire Association. These are the types of problems and solutions that allow ATRA to provide “the experience of thousands of technicians, right at your fingertips.”

79 years... a long time to be in this business. But Capitol isn’t afraid to change with the times, and that change is keeping them profitable. Who knows? Maybe in a few years we’ll do a profile on Paul IV, as he takes the shop into its next generation of success.

