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Paul I. Karofsky

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# Interview with Ernie Boch Jr.

By Paul I. Karofsky

*Ernie Boch Jr. is the son of Ernie Boch, owner of the billion dollar New England Boch Enterprises. Ernie Boch Jr., vice-president of Boch Enterprises, takes a more laid back approach to this family business of automobile dealerships than his father, an extremely high-profile entrepreneur. After his father brings the customer through the door, Ernie Boch Jr. focuses on servicing him. In this interview with Ernie Boch, Jr., Paul I. Karofsky explores the history of the company and what makes it unique as well as Ernie Boch Jr.'s career track. Ernie Boch Jr. discusses how he differs from his father, plans for succession, and the enduring values and philosophy of this successful family business. He also reflects on the company's continuing success—his commitment to Boch Enterprises' long-standing philosophy of being No. 1, and his effort to bring the company into the modern age through technology.*

KAROFSKY: What is the history of the company?

BOCH: My grandfather, Andrew Boch, came to this country from northern Italy with his parents and worked at Boston Cadillac's giant store on Commonwealth Avenue, when that was the premier place on the East Coast to purchase a vehicle. He was a Cadillac mechanic. The car became more popular in the late '20s, when people started owning cars, and they used to come to my grandfather to fix them. Back then there were no warranties and people didn't want to or know how to fix them. So he started fixing cars on the side on weekends. His business just grew and grew and grew. My grandmother purchased the parts, and they had a little side business in Norwood, Massachusetts, where they lived. When it finally got very busy, he said, "You know, maybe I should open up my own little garage." So in 1942/1943, he opened up what is now the Boch Kia store on Route 1 in Norwood. He opened it up with a gas station and fixed cars on the side. Everything was going great. One day, a fellow pulled up to the gas station and started talking to my grandfather. The man said, "You should sell Nash automobiles." My grandfather said, "Sell cars?" The other man said, "There's

nothing to it. I figure you can sell 10 a year." My father agreed. They brought some Nashes in and it just started to go. My father was in the Army at the time, about 1946. When my father got out of the Army, he began to work with my grandfather, and they just started to rock. They sold about 100 cars a year. Then a bookkeeper stole \$10,000. That was a lot of money back then. They were close to going bankrupt.

KAROFSKY: How did the business recover from that?

BOCH: It wasn't easy. My father was unable to get a loan: Nobody would give him the money. So again, he's pumping gas, and a guy pulls up—Dominic Sansone from New England Merchants Bank. They started to talk and my father told him that they are going to have to close the place because no one would give him a \$10,000 loan. So Dominic Sansone gave him the loan. And they remained great, great friends until Dominic died about six years ago. That's what turned it on. In 1956/1958 we were the No. 1 Rambler store in the country. You know, Nash turned into Rambler. We were No. 1 all the way up through the early '60s. Then Rambler turned into

American Motors and it kept going and at one point we picked up Dodge. In 1971, we picked up Toyota. Then we became the distributor for Subaru throughout New England. In 1982, we picked up Mitsubishi. We also had Oldsmobile, but dropped it two years ago because the factory was canceling production. In 1998, we picked up Kia, and in 2001 we picked up Honda. So, from that \$10,000 loan back in the '40s, today we do \$1 billion worth of sales with zero debt. We have absolutely no debt. We don't owe the bank any money; we don't owe a dime to anybody. Completely debt free.

KAROFSKY: That's incredible in the automobile business.

BOCH: A billion dollars isn't a giant company. A billion dollars in sales is a small- to medium-size company. But when you add in the zero debt factor, it becomes extraordinary.

KAROFSKY: What about you personally and your background before you entered the family business?

BOCH: I was born in 1958. I went to Norwood High School and grew up in the turbulent '70s. I was too young to be a hippie—it was a very difficult time. Carter was president. I heard that Mrs. Carter made her own dress for her inaugural; it was very, very different times coming off the Nixon and Ford years to Carter. Interest rates were 19% to 20%. It was just a very difficult time. Although I knew the business was doing well, I didn't really know what I wanted to do. So I graduated high school and had the normal problems that kids have. I think that at 16 or 17 you naturally butt heads with your parents because if you didn't, you'd live with them forever. I knew that something had to happen, so I moved out of the house when I was 18 and went to Berklee College of Music. After living in the dorms for the first year, I moved out and made my own living. A lot of my friends are famous musicians now.

KAROFSKY: What was your instrument of choice?

BOCH: I play jazz guitar, but I really went there for music business. I was the guy who always got the gigs. I was the guy who got jobs for these extraordinary musicians who didn't know how to get gigs. So, I put them all together. I'd always be the worst guy in the band, but we'd always work. So even though I was horrible, people loved to work with me because I always had the jobs. I went on the road and played in crappy little jazz places.

KAROFSKY: How did you end up in the business then?

BOCH: One time, a friend was playing with Dizzy Gillespie at Jonathan Swift's and I was there and Bill Cosby was in the audience. I saw Dizzy get paid at the end of the night. Now here is a guy who was an architect of bebop music, probably one of the most famous musicians on the planet, and they paid him something like \$800. I said, "OK. You can try to make a million dollars playing music or you can make a million dollars and then play music." I went for the latter. So I started working here in the early '80s selling cars and one thing led to another and here I am.

KAROFSKY: Did you ask your father if you could come into the business, or did he ask you?

BOCH: Well, I was flat broke, playing in the subways, going on the road. I don't know what I was making, probably \$18,000 to \$25,000 a year. You could live on it, but it was horrible. I just started desiring more. I thought, "This is crazy, I'm not going to do this." So I told my father, "Listen I'm in serious debt." When he asked me how much I owed, I told him: \$1,200. At the time, I thought that was a lot of money—so did he. I then said, "Let me sell cars for a while until I get out of debt" and he agreed. He gave me \$600 to buy suits because I didn't even have a suit. I got out of debt in the first three weeks, and I just kind of liked it, kind of jumped on it, got into it.

KAROFSKY: What was it like growing up as the son of Ernie Boch, all the ads “Come on down,” the high profile, the llamas on the lawn?

BOCH: That’s more recent. But in the early days, he was still quite a sensation. I read an article in *Boston Magazine* that I thought was kind of interesting. It said that you know when you are in New England when you hear, “Come on down” and you don’t think of The Price is Right. He was high profile. He was on TV, he was on talk shows, and he was a self-made millionaire by the early ’70s and it was good. It was fun in that way. But as his son, it was tough sometimes. I went on TV in 1968 at age 10. Of course none of my friends was on TV, and they made fun of me and stuff like that. But I guess I didn’t really mind.

KAROFSKY: What is your current role and what is your father’s?

BOCH: I’m vice-president of Boch Enterprises. Basically, the retail stores. My father owns the company. He does everything. He oversees me, I oversee the stores. But right now he is concentrating on the distributorship part and our radio stations on Cape Cod.

KAROFSKY: Do you have siblings? Are they involved in the business? If not, have they ever had an interest?

BOCH: I have a brother and three sisters, and none of them is involved. My sisters were never interested in the business. They worked here during high school, maybe a little after, a little bookkeeping and stuff, but, no, they are married with kids and very, very happy. My brother worked here for a while until the mid ’70s and then went on his own.

KAROFSKY: Is there a plan for the succession of ownership of the business? For leadership?

BOCH: Yes. It comes to me.

KAROFSKY: Is it something you will buy? Is it being gifted over time?

BOCH: No, it is not something that I will buy. I will inherit it.

KAROFSKY: Often, successor leaders create a career development plan. Do you have such a plan for yourself? And how do you see your own role changing over time?

BOCH: Well, I am getting exposure to all different aspects of this business: nationally, regionally, and locally. What has been the key to our success, and what I will continue to do, is to hire good people around me. Some people cannot hire good people around them. Maybe they are intimidated. But I would always hire more talented people. There are people in this company more talented than I am. A lot more talented. I’m proud that they work with me, and I think that’s the key to my success. I have no problem hiring the best and the brightest because it makes my job better. I can focus more on the broader things as opposed to the nitty-gritty day to day.

KAROFSKY: For many years now, your father has presented a high profile and powerful image to the automobile consumer in New England. How does this impact the image you wish to present?

BOCH: Well, that’s interesting because I’ve been doing a lot of the radio and TV commercials. I consider myself the talent, and I have a director and a producer [my father]. I’m handed a script, I’m told how to deliver the lines, and case closed. That’s the approach I will go along with: He’s the director. Not exactly my style, but I’m not the owner and that’s the message that he wants to put out. I agree with the message. I agree with everything but I don’t agree with the yelling and screaming. Still, I’m yelling, I’m screaming, I’m spitting. It’s horrible. But, it is what it is.

KAROFSKY: With respect to family businesses, how important do you think a family business factor is in marketing the business?

BOCH: Well, it's changing. It seems like there are fewer family businesses in this industry. Giant corporations own hundreds of dealerships. It's changing.

KAROFSKY: Yet one of the largest in the automotive industry is JM Enterprises, Jim and Pat Moran, in Florida.

BOCH: Jim Moran is the best retailer of automotive vehicles in history. We would like to say we are the Jim Moran of New England. He is my idol. He is an incredible businessman. I have yet to meet him, and I want to meet him.

KAROFSKY: Do you think the family business factor hurts or helps in selling cars?

BOCH: It helps—especially when you are first starting, because everybody is in it for the greater good, as opposed to just picking up a paycheck. We have 500 employees and most of them are great employees, but every once in a while there is somebody here that's going through the motions and just looking for a check at the end of the week. So I think the family aspect of the business is important.

KAROFSKY: How is the business changing and how are you dealing with it?

BOCH: When I first started in the early '80s, the industry hadn't changed since the '40s. I saw the change and was part of the change. I think I'm more laid back as the industry changes, which I'm kind of fortunate to see. It's a whole different thing now. The customer is king. It's not about a sprint, it's a marathon. Our theory is that 90% of the customers want to do the right thing and you have a great working relationship with them. In fact, I don't consider myself selling automobiles; I consider myself selling transportation. It's about the transportation. It's not about the automobile. Although people are impassioned about the automobile—they buy the little sports car and stuff like that—it's really transportation. It is preventing them from having down time with something they

purchased from you. So it's beyond the physical car—they are buying transportation. We sell minivans to moms with six kids and if that van goes down, you can imagine what happens.

KAROFSKY: You say you're more laid back than your father. In what ways are you and he the same?

BOCH: Well, I agree with the basic philosophy of the company, which is not to have a lot of stores, to be on Route 1, and to sell out of one store what most people sell out of three, four, or five stores. We have a giant Toyota store. We are celebrating our 22nd year in a row as No. 1 in New England. Nobody has ever beat us—not in 22 years, and you don't find that record anywhere.

KAROFSKY: So your philosophy of business is the same as your dad's?

BOCH: The philosophy of business is the same. I think I am just a little bit more focused on taking care of the people. My father is focused on bringing people in and I'm focused on servicing people well once they're in the door.

KAROFSKY: And how are you changing the company?

BOCH: Through technology. The auto industry is notorious for being behind the curve on technology. We have the latest and greatest. We went on the Internet with our Web site January 1996. We were one of the first. I think when we first got on, there were only 23 dealers on the Internet. Now 95% of the dealers have Web sites. So, we are doing it with technology. We're trying to streamline the operation with systems, policies, procedures. I developed a whole HR department, which we never had before. That type of stuff—bringing us into the modern age.

KAROFSKY: And what will stay unchanged?

BOCH: The philosophy of striving and achieving to be No. 1. No. 1 in sales, No. 1 in service, No.

I in parts. I think a good product for a good value is what makes it happen. We have a big advantage over other dealers. We are debt free. We can say things that no other dealer can say. No other dealer pays cash for its cars. No other dealer has no mortgages. Let's say another dealer pays \$10,000 for the car, and then at the end of the month he has to pay floor planning, so at the end of the month he owes \$10,200. If that car doesn't sell the second month, he owns the car for \$10,400 or \$10,500. So after 90 days, that initial investment of \$10,000 could cost him \$10,700 or \$10,800. With me it's \$10,000 and it doesn't change. So who can sell it for less? I can sell it for less.

KAROFSKY: What advice would you offer to members of the senior generation in a family business?

BOCH: There are examples of senior-generation members in family businesses that are doing a very poor job bringing up, mentoring, and developing the younger generation. There are

examples of family-owned dealerships with a senior generation that teaches the kids through fear and intimidation and the school of hard knocks. You have to develop the people around you. I will do something different bringing up my child than what my father did. I'll use just a little more modern touch. My wife and I have a daughter and my wife is pregnant with our son, maybe the future president of Boch Enterprises. I'm more laid back than dad; I have more of a mentoring style.

KAROFSKY: What advice would you offer to members of the younger generation in family businesses?

BOCH: If the business is successful and if the business has a history of success, then listen to the guy in charge. Do what he says. Nine times out of 10, he is going to be right. The one time he is wrong, the other nine are going to make up for it. Don't worry about it.

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