

REPAIR JOB

How Guy Marsala led EZ Lube's rebound from bankruptcy

BY ERIK CASSANO

When Guy Marsala took over as president and CEO of Costa Mesa-based EZ Lube LLC in April 2010, the only real option was to start climbing.

The chain of quick-service auto maintenance centers entered bankruptcy in late 2008, sent reeling by the skyrocketing price of oil, regulatory compliance fines and — perhaps most damaging — an eroding company culture brought about by an ongoing revolving door of CEOs in previous years.

EZ Lube emerged from bankruptcy in November 2009 but was still a company in need of direction when Marsala took over.

"I could see right off the bat that I had to find a way to place a higher value on the customer and the employee," he says. "Morale needed a boost, and we had a real sense of urgency and some very aggressive goals to meet."

The steps Marsala took to engage store managers in improving the company's customer relationships helped EZ Lube rebound to \$75 million in sales during 2010.

Smart Business spoke with Marsala and discovered some of the lessons he learned about taking over a company in crisis.

Start by listening

First, ask for feedback and input from people, and really listen to what they tell you. They have the answers. I had meetings with my store managers where I went around the room and asked people how long they had been here. They would tell me five years, eight years, 12 years and so on. I would add that up and say, 'Wow, we have almost 100 years of experience sitting around this table.' I've been here two months or whatever it was at the time. I told them that I believe they know a lot about this business and I wanted to learn from them. I wanted to challenge them and tap into that experience. Once people know that you really listen and value their input and you don't shoot the messenger, they really tell you some amazing things. So No. 1 is to listen.

Maintain the dialogue

Second, you need to communicate. I try to never miss an opportunity to talk to employees in groups. I have monthly store manager meetings, monthly all-hands meetings — but it's also the informal communication. We were doing some training here at headquarters recently with our store managers. I heard about it, so I just popped in there and listened, and when they took a break, I took the opportunity to

talk to people. I asked them how things are going, if there was anything we could be doing to support them better. You want to use those opportunities to continue to get your message out.

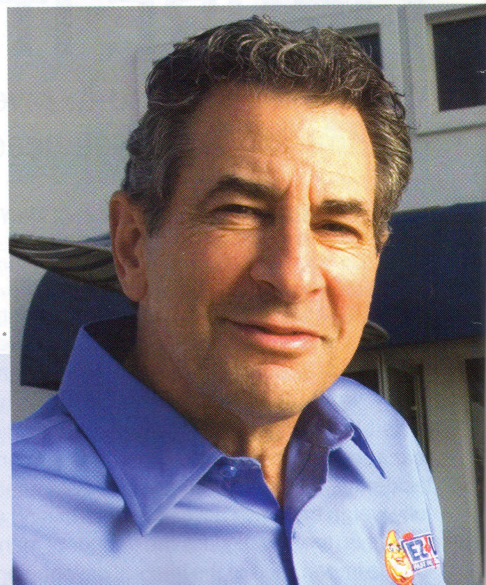
Remain visible

Along the same lines, No. 3, you have to be accessible. I am out of my office a lot. I am out in the field. I am out in the stores. I am walking around the hallways. People have my e-mail; people have my phone number.

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Make the tough calls

No. 4 is to be decisive. Have the courage to make tough decisions. We can't always do the most popular thing, it's not a popularity contest, and you have to have a bias for action. We had to make some decisions and choose a course for action, then follow it. We couldn't debate forever which way we were going to go, what we were going to focus on.



Company facts:

- **Headquarters:**
Costa Mesa, Calif.
- **Stores:**
73 (all company-owned)
- **Employees:**
970
- **2010 sales:**
\$75 million
- **Business:**
Automobile maintenance

Focus on what you can control

No. 5 is focus on what you can control. We can't control the price of oil. The Southern California economy has some real challenges. But we can do some other things within our control to drive the company forward in spite

of those challenges or, in some cases, capitalize on those challenges.

Have the right attitude

Lastly, be positive. Enthusiasm is contagious; there is a spiral of positivity that I call it. As a leader you have to be the one rallying the troops and carrying the flag for everybody. <<

HOW TO REACH: EZ Lube LLC, (714) 556-1312 or www.ezlube.com