

**HOW TO MAKE A \$\$ MILLION IN YOUR BACKYARD**

**THE NEW**

# **HOT ROD**

**HOW TO EXHIBIT  
AT A TRADE SHOW  
CASH IN ON  
BRACKET RACING  
INTRODUCING THE  
PWA PIPELINE**

**INDUSTRY NEWS**

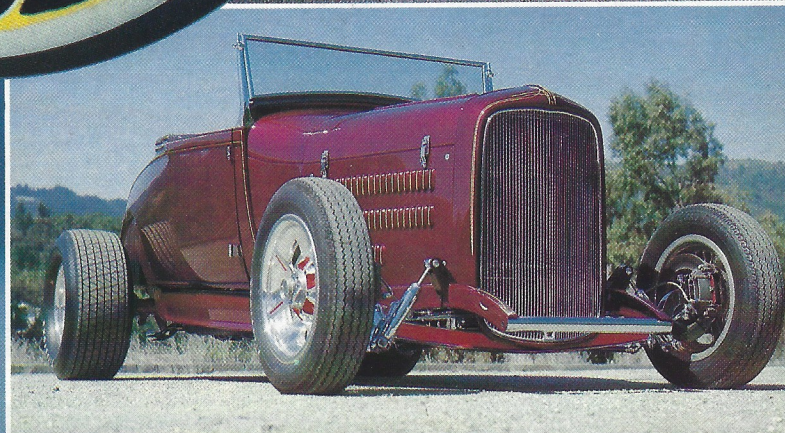
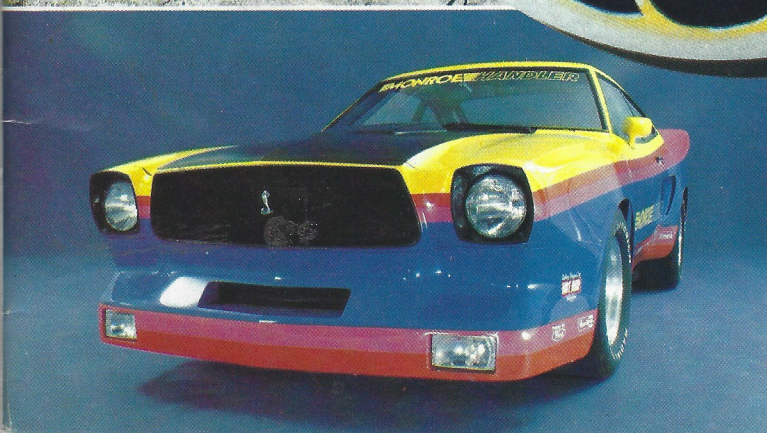
JUNE 1977



## **STREET MACHINES & RODS**

**LATEST  
MARKET  
SURVEYS**

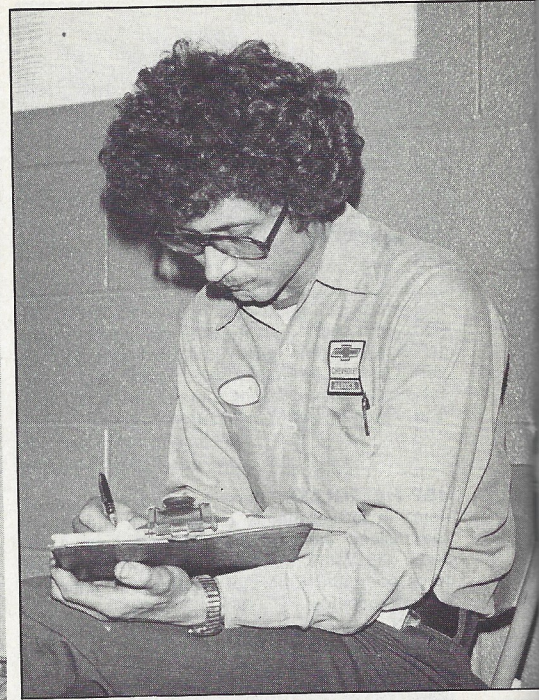
**7 PAGES  
OF NEW  
PRODUCTS**





# HOW TO MAKE A \$\$ MILLION IN YOUR BACKYARD

DENNIS TRACY—  
WORKING TOWARD A GOAL



By Gary Witzenburg

**E**ight years ago Dennis Tracy was 21 and was working in a dynamometer lab at Chevrolet Engineering in Warren, Michigan. He had left his parents' farm in Iowa at 18 with \$1000 in his pocket, determined to work his way up at General Motors—as high as he could go—maybe even to president.

At that point, he already had six years' experience working and playing with cars. He had gotten into mini-bikes first, and then progressed to go-karts at the age of 12, Chevys ('53-'57) at 16 and was drag racing by the time he was 17. Already looking toward his goal, he had taken college prep courses, joined the science club and had won awards for his displays at science fairs while in high school.

The following year found Tracy at General Motors Institute in Flint, Michigan, studying mechanical engineering and supporting himself by repairing cars in his garage. But after two years of college, he was forced to leave for lack of money, and spent the next year in various part-time jobs at Detroit Diesel, Ford Motor Company and a small tool shop. So far, the dream was not working out.

Then Tracy landed the full-time job at Chevrolet, and he thought he was on his way to GM's executive offices at last. Neatly avoiding the Vietnam

draft, he enlisted in the Army Reserve and, after serving five months of active duty, was back at Chevrolet running the dynamometers. Things were looking up, but nobody was offering an executive office, a secretary or a company car just yet. Then in 1970, just when he was beginning to feel a bit frustrated, he was laid off in a massive personnel reduction due to slumping car sales. The dream had suddenly been shattered.

He had purchased his first Corvette—a '63 coupe—in 1967, and while working at Chevrolet, had bought, repaired and sold several wrecked 'Vettes as a way to earn extra money. This activity was a preview of what was to come, but another year went by while Tracy alternately took it easy, played with Corvettes, went racing and thought about where he was going next.

Finally, in April 1971 he registered himself with the state of Michigan as a parts business and started selling Corvette parts out of his garage, partly to support himself and partly to justify stocking parts for his own cars. By summer, the business was beginning to move and Tracy Performance was born.

Soon Tracy was into NHRA racing to promote his business, and all the time he was buying more cars, stocking more parts and becoming more

and more well known among Detroit-area Corvette people. But then a major problem arose.

"By the middle of 1973," he relates, "the situation at my house was beginning to get ridiculous. Parts filled the garage, the backyard, the attic and even the house. Finally, after several visits from the Warren city inspector, I was given a 90-day notice to stop doing business at a residential location."

Fortunately, he had been looking at commercial buildings for some time, so he had some idea of what was available; and with only six days left of the 90, he signed a lease (with option to buy) on a 3200-square-foot building at 24422 Ryan Road in Warren. This gave him room to maneuver, and he hired some help and started doing welding and other labor. At this point, Tracy had set himself a new goal and had begun working seriously toward it.

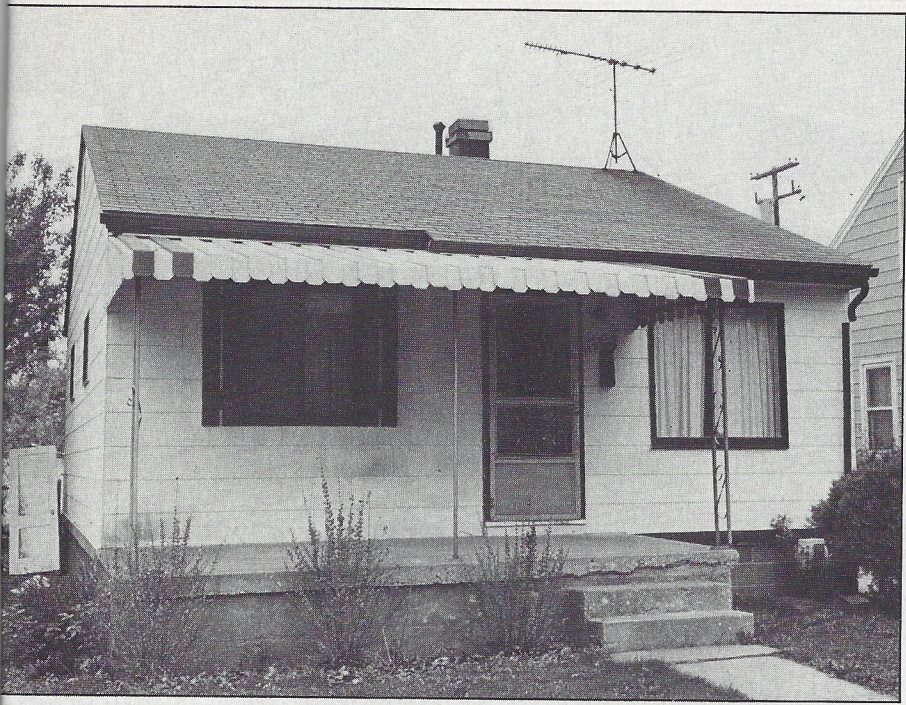
---

**"Nobody was going to help make me rich. So I set my sights on becoming a millionaire by the time I was 30 years old."**

---

"I had worked in several areas at GM, but felt like I was being held back," he tells HRIN. "I wasn't being recognized for my abilities and ambi-





tion. After leaving there, it became obvious that I would have to make it on my own. Nobody was going to help make me rich. So I set my sights on becoming a millionaire by the time I was 30 years old."

But this dream seemed very far away during that first winter in the building. Concentrating on building up his inventory, Tracy worked day and night, seven days a week, and allowed himself almost no take-home pay. "I can remember periods of being there all day and having no paying customers at all," he relates.

But spring rolled around, business improved, and the following autumn he held a big sale and raised enough money for a down payment on the building. Promotional efforts were concentrated on having good-looking cars at auto shows (like the Detroit Autorama) and fast ones at the drags. Decals and business cards were passed out at these events, and Tracy's association with racing transmission wizard Joe Liberty gained him a lot of publicity.

Three Tracy Performance Corvettes were actively campaigned in nearby points events and the closer of the Nationals in 1973, and while this effort didn't make a whole lot of money, it did get his name before the public and gave him some valuable contacts. But after the Indy Nationals

that year, he decided to pull out of active racing involvement in order to devote more time and money to the business.

Auto shows, however, were still a major part of Tracy's promotional effort. He always had at least four cars at every major show (one at each stock, drag, custom and road race), and he was very selective about the quality of the cars that bore his name.

---

**... if he could sell the shirts,  
they would provide income plus  
free advertising.**

---

The year 1974 came and went, and the business continued to grow. Then in 1975 Tracy hit upon a new promotional idea. He had outfitted his racing crews with team T-shirts to give a professional look to the effort, and the thought occurred that if he could sell the shirts, they would provide income, *plus* free advertising. But they had to have universal appeal so people would want to buy them.

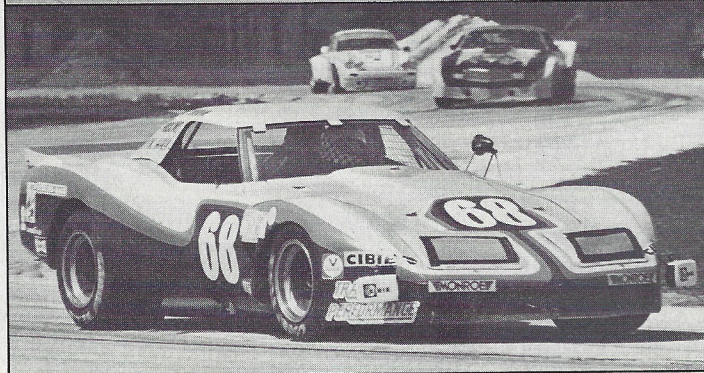
After much thought on the subject, he came up with a shirt with a picture of his 5-speed drag car on the front, and above and below the car was the phrase, "Wrap your ass in fiberglass... buy a Vette." The

Tracy Performance logo, of course, was on the back, complete with address and phone number.

Tracy didn't know at first what a bonanza he had. He took the shirts to a swap meet in July 1975 and they sold like nickel popcorn. After a couple of similar experiences at other events, he started advertising them in Corvette magazines and selling them mail-order. To date, he figures he's sold over 15,000 "Wrap your ass" shirts and has given away a couple thousand more as promotional items; each one has his name and address on the back. "That really put us on the map in the Corvette world," he says. "And it's still selling now, although the demand has slacked off a bit."

Another big success for Tracy has been swap meets, which were just beginning to skyrocket in popularity when he got into them in 1975. "The whole Corvette picture was changing," he recalls. "People wanted stock Corvettes, loaded ones, rare ones and so on. The custom jobs and the race Corvettes were not as popular any more. So they were going to these swap meets in search of deals on cars and rare parts. All of a sudden we realized that this was a new kind of social outing for Corvette people—and it was more profitable and less work than racing."





**ABOVE**—Tracy's 12,000-square-foot building has seven hoists and plenty of room for storage, both inside and out.

**LEFT**—Another area of promotion for Tracy is road racing. After two strong years, Tracy is gaining national exposure for his business.

## HOW TO MAKE A \$\$ MILLION IN YOUR BACKYARD

"So we started going to all the big meets within a reasonable distance. For one thing, it got me out of the shop for a while and substituted for vacations. Then I began to wonder why there had not been any major meets in the Motor City. Obviously there was a void that needed to be filled."

Tracy put on his first swap meet in the Ryan Road building in July, 1975—the same one at which he unveiled the now-famous T-shirt. It was not a big event, but at least his foot was in the proverbial door, and the experience had provided the added bonus of free advertising and exposure for his business. The next year he moved the meet to the Michigan State Fairgrounds and advertised it extensively. Although it didn't generate a lot of profit, it was a huge success in terms of the numbers of both vendors and attendees from all over the Great Lakes area.

As the business and the inventory grew and grew, the once-big Ryan

Road building began bursting at its seams, and it was obvious that a newer, larger, more modern location was needed. Tracy was always in the market for the right building, but it was not until just before Christmas last year that he finally found it. It was a 12,000-square-foot, fairly new structure in nearby Roseville, Michigan, that was already well set up for his use and came with an acre and a half of land. He made his decision less than eight hours after seeing the place; and two months later he had closed the deal on a lease with option to buy, had sold the old building and was more or less situated in the new one. Moving all his inventory, tools and equipment had taken a full month of 12-hour days and seven-day weeks, which is a fair indication of the amount of Corvette stuff he had accumulated in less than six years!

***"One unhappy customer can wipe out the public relations benefit of fifty satisfied ones."***

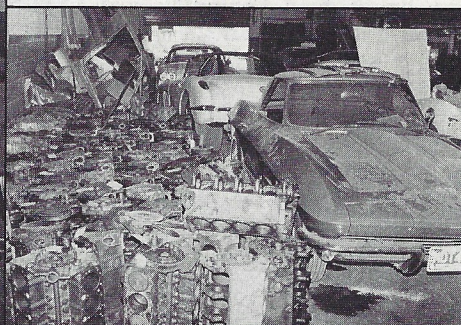
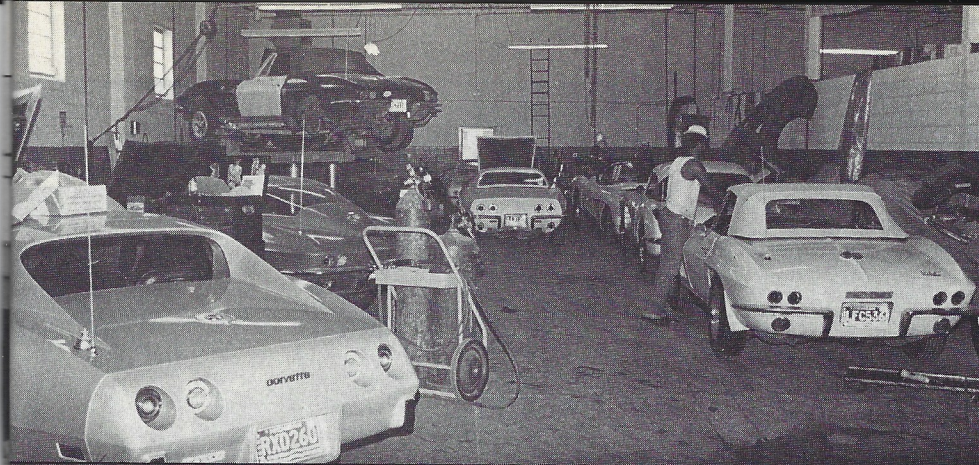
At the old location, Tracy had concentrated more on parts than service because of a lack of both room and facilities, although he had tried to ensure that the work he had performed there was first-rate. ("One unhappy customer," he philosophizes, "can wipe out the public relations benefit of fifty satisfied ones.") But the new

building came equipped with seven hoists and plenty of room for both inside and outside storage of customers' cars. As a result, the service business more than quadrupled in just two months.

And there are plenty of other benefits: "The parts department has become more efficient due to adequate space," Tracy tells us. "It will become even better with the addition of double-decker, two-story-high shelving that's now on order. The back lot is much larger than what we had before, to provide more storage of both customers' vehicles and our own, plus there is room for income-producing storage, as well as orderly storage of bulky items such as car bodies and other major pieces. Looking ahead, there is even adequate room to add another building, possibly a body shop, and also a used car lot—Corvette only, of course."

In addition to speed equipment and aftermarket accessories, Tracy handles a huge inventory of new GM original equipment parts for Corvettes which are shelved by group number the same way a dealer stores them. This inventory attracts customers who may have experienced problems finding what they need at dealerships. Tracy says, "The dealer may tell a customer it'll take two weeks to get something. Then the guy will have to put 50 percent down to order the item, and he'll pay full list when it





Tracy's new building has allowed him to branch out into a more service-oriented business. As a result, his service business quadrupled in just two months. In addition, the parts department has become more efficient due to adequate space and will become even better with the addition of double-decker, two-story-high shelving that's now on order. The back lot is also much larger and provides more storage for customers' vehicles and space for income-producing storage.

arrives. On the other hand, he can come in here and he'll be amazed when we pull it right off the shelf for him."

"We also wholesale a fair amount of parts to others, even to Chevy dealers who don't mind paying me a bit more for something than they would through the factory, if it'll get a vehicle off a hoist and money in their pockets faster. This is the money-per-unit-time theory, which has a lot of applications in this business."

Tracy is also into engine rebuilding and machine shop service, but he isn't heavily involved in equipping for this because he has a very reliable source of machine work at reasonable prices (see sidebar). However, he does have his own arc, heliarc and wire-feed welding equipment for fabrication and repair work.

In the area of customer service, Tracy has a couple of unique ideas working for him. One is an enclosed car trailer, complete with a winch, for bringing in cars that are not driveable. Corvettes are easily damaged when moved by wreckers, so the Tracy Performance trailer is worth its weight in customer relations. Another is a service in which Tracy inspects a Corvette that a customer is thinking of buying to check out the vehicle's condition and locate any problem areas before the purchase is made. This is the sort of specialized, per-

sonalized service that keeps people happily coming back.

But being in a specialized business, he says, has both advantages and disadvantages: "Since we're Corvette specialists, we only have to know that one line of car. It simplifies the inventory, so we can stock a more complete line of parts for less money than if we had to be concerned with other types of vehicles. On the other hand, we have a much smaller percentage of the population as potential customers, which is why you can't pull off a very specialized business in a small community."

"Here in the Detroit area, people think nothing of driving 60 miles to my shop, and the population within a 60-mile radius is in the millions. There are over 20,000 Corvettes currently registered in Michigan and who knows how many more that aren't being driven? I'm also close to Canada and Ohio, both of which are fairly heavily populated with Corvette owners."

**"Advertising also has to be aimed toward my specific audience. We've done well by promoting through racing, car shows, swap meets, T-shirts and by passing out business cards everywhere we go . . ."**

"Advertising also has to be aimed

toward my specific audience. We've done well by promoting through racing, car shows, swap meets, T-shirts and by passing out business cards everywhere we go; but I thought it would be a good idea to do something special to make people aware of the new Roseville facility. So I bought a mailing list of all the registered Corvette owners in the state from R.L. Polk, the company that keeps track of vehicle registrations all over the country, and sent flyers to all 20,000 of them, plus the names already in my customer file. I offered a free "Wrap your ass" T-shirt for every flyer returned and have given away over 1000 so far. That's more than \$2000 worth of T-shirts, but every one is a walking ad. Also I figured that once those people had visited the new store, they would most likely come back and spend money one time or another. And many have already made major purchases."

Another area of promotion is in road racing. Two years ago, Rick Hay approached him for help with a Corvette road racing effort in the IMSA Camel GT series, and Tracy decided that putting his name before a completely new audience could be beneficial. With Hay acting as car-builder and principal driver and Tracy furnishing parts and equipment, the car qualified eighth its first time out late that year, and ran com-

(continued on page 51)



## HOW TO MAKE A \$ MILLION

(continued from page 37)

petitively throughout the 1976 season. At the Sebring 12-hour event this March, it qualified fifth and ran third early in the race, until mechanical problems put it out of contention—so the potential is obviously there, given more time and money for development. Having proven they could run well without major sponsorship, the team is now looking for the backing necessary to put it into the winner's circle, but of more immediate importance to Tracy is the national exposure his business has received from the effort.

Much of the success of Tracy Performance has been a direct result of careful planning as to what parts, equipment and paraphernalia to stock. Says Tracy: "Besides almost every variety of new, used and rebuilt Corvette parts, we also stock an assortment of 'reproduction' items to substitute for pieces no longer in production. And selection of appropriate periodicals, books and posters enhances our image as a Corvette one-stop parts and service center."

***"Because of the competitiveness of the parts business in this area, we normally price our items below what the dealers and other sources are asking."***

"We are currently the major supplier of Corvette parts in Michigan and now, I believe, the world's largest complete Corvette center. Because of the competitiveness of the parts business in this area, we normally price our items below what the dealers and other sources are asking. This price difference helps to bring in the customers, and the size of our inventory and the percentage of customer requests we can fill keep them coming back. Our ability to provide reliable service without lengthy parts tie-ups keeps the service customers happy as well."

While the new building was laid out quite well as purchased, Tracy is busily knocking down walls for doors, decorating his office, showroom and customer waiting area and making numerous other changes to improve both efficiency and appearance. Customer traffic control, inventory location, theft and security protection and "laying out everything to keep footwork to a minimum and parts control to a maximum" are major priorities of the building program.

***"It's too easy to damage your reputation with a poorly-run catalog business."***

Future plans include setting aside a special section of the building devoted to warehousing—hopefully with computerized inventory control. That done, Tracy intends to go after the wholesale Corvette parts business in the Detroit metropolitan area, and will also get into retail mail-order sales—but only when he feels he can handle it. "It's too easy to damage your reputation with a poorly-run catalog business," he observes.

So the big dream seems to be getting closer for Dennis Tracy. He has successfully developed and is continually expanding his following among Corvette devotees; his innovative promotional, marketing and advertising ideas are paying off; and a visit to his shop (29069 Calahan in Roseville) reveals a dozen or more cars in the service area, an incredible number of parts of every imaginable type, and a steady stream of customers happily coming and going and filling their various Corvette needs. Gross sales swelled to \$180,000 last year, up from \$110,000 in 1975 and \$65,000 in 1974, which is a pretty respectable growth rate for anyone.

***Tracy has been able to double his worth almost every year since leaving home with that original \$1000.***

It's unlikely that Tracy will quite make his goal of being worth \$1,000,000 by his thirtieth birthday, which is less than a year away, because a couple of lean years in the beginning knocked him off-track just a bit. Still, he claims he's up to about \$300,000 (as of the end of 1976) and he's managed to double his worth almost every year since leaving home with that original \$1000.

Like almost every other success story you'll ever hear, Tracy's progress has not come easily. "There is no easy way to get rich," he tells us. "You have to work your ass off and use all your resources, and eventually it will pay off... but you aren't going to do it overnight. I probably won't quite make the goal I set six years ago, but I may only miss it by a year or two. Anyway, it keeps me going. You've got to have something to shoot for." ■■

### TRACY'S TIMELY TIPS FOR BETTER BUSINESS

In the course of his conversation with HRIN, Dennis Tracy, owner/founder of Tracy Performance and almost millionaire, laid out some useful advice for owners of businesses such as his:

**On purchasing**—I try not to rely on any one parts source. For example, I deal with more than ten speed equipment warehouses. This way I can take a deposit on almost any item and usually guarantee delivery within four days. Relying on one source will put you at its mercy and is liable to cost you money and lost sales.

**On ownership of equipment**—It doesn't pay to tie up money in equipment and pay someone to run it as long as you can get reasonably-priced and reliable service elsewhere. Usually, the only way you can justify investment in equipment is when it's relatively inexpensive and you can keep it busy most of the time.

**On acceptance of credit cards**—Subscribing to the services of Master Charge and Bank Americard is a good deal, even though they charge a percentage. As long as the sale gets authorized, you are guaranteed the money; and you can't afford to gamble on taking checks when you're dealing in parts and labor that may run into hundreds of dollars. Many people don't like to spend cash, but they like the convenience of using their cards. Accepting the cards is a requirement if you're going to do much volume.

**On taking labor jobs**—When a customer wants his car repaired, you don't just make money only on the labor but you've also got an automatic parts sale. To increase parts volume and turnover, don't turn away the labor as long as you're equipped to do it properly.

**On maintaining a mailing list**—Keep names and addresses of your customers on file for future reference. They bought from you once, so they're usually easy to get back again. Let them know about your sales, new plans, coming events, etc.

**Other subjects**—A trick electronic cash register is well worth the expense for keeping track of which areas of business are generating money and which are not, taxable and nontaxable sales, refunds, individual employee sales totals, etc. It also looks impressive to customers.

A bulletin board for want ads is handy and helps bring people in. They say if you want to be successful, build near a MacDonald's. Our new building is right behind a MacDonald's, and you know what? It's true!