

GRATIOT'S SPEED SECRETS TO SUCCESS

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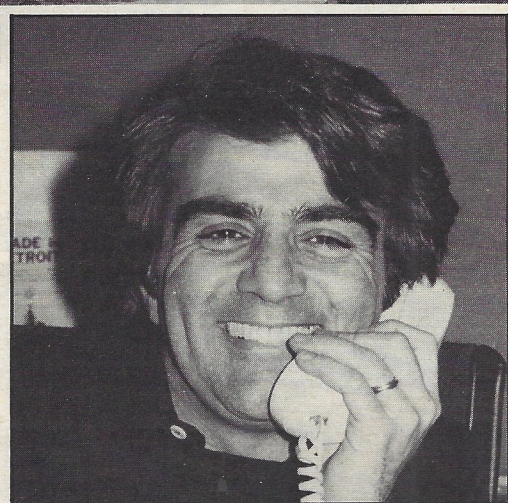
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GRATIOT AUTO SUPPLY

GIAMPETRONI'S
SPEED SECRETS TO
SUCCESS—ENTHUSIASM,
INNOVATION
AND SWEAT

By Gary Witzenburg

The sign on the building says "World's Largest Hot Rod Shop," but the man inside, Gratiot Auto Supply Vice President Angelo Giampetroni, can back it up.

"We grossed in excess of \$8 million in 1976," he tells HRIN, "which was our best year yet. There are a couple of wholesale houses doing \$12 million or so, and there are some larger retail auto parts chains, but their sales are only about 25% high-performance equipment. We've chosen the retail route for our major expansion efforts, and we currently run about 75% high-performance stuff, so we're definitely the biggest in that field."

Giampetroni started working in 1948 for what was then Bill Toia's two-year-old tire recapping business at 9146 Gratiot Avenue in Detroit. Only 12 years old, he was the company's third full-time employee, and his initial duties amounted to little more than sweeping the floor. "But I had a motorbike at the time," he

says, "and I was very interested in cars and the business."

He got his first car at the age of 17. It was a '32 Ford coupe, which he dutifully chopped and channeled and modified in the style of the times. By then Gratiot was well into the car accessory business and was moving more and more into hot rod equipment.

Sometime during this period, the story goes, the young enthusiast walked into his boss' office, announced that he wanted to help expand his business and offered to take on most of the responsibility—so long as Toia would make him a full partner. Apparently recognizing a good thing when it leaned on his desk, the boss agreed, papers were drawn up, and Gratiot Auto Supply was on its way toward that "World's Largest" status.

They were running a pair of oval-track modified sportsman racers in those days, driven by Jack Goodwin and Bob Coucher, and they man-

aged to win more feature races than any other team during their seven years of involvement. This effort, plus partial sponsorship of a Mickey Thompson car in the 1950-1952 Mexican Road Race, was doing great things for the speed parts business. But then Goodwin, ventured into sprint cars and proceeded to roll one on his head, effectively canceling both his own career and Gratiot's oval-track interest in the process.

Meanwhile Giampetroni had ventured into drag-car building and driving (via a fuel altered coupe), and it didn't take long for him to see the tremendous potential market for products that would make mere street cars look and perform like real drag-racing machinery. So the partners gravitated away from oval-track speed parts and into the near-virgin territory of street and strip equipment.

The store had been expanded from 2000 to 6000 square feet in 1950, and 1954 brought a further expan-

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sion to 10,000 square feet. Among the few speed shops to foresee the future in nationwide distribution in the late '50s, the company's successful move into that fertile field was instrumental in prompting a fourth and final expansion of the Gratiot Avenue facility, in 1963, to a whopping 18,000 square feet. But it was not long before even that capacity at the original location was outgrown, and Giampetroni found himself shopping for a new building site in a more central location.

While the mail-order division had gotten under way in 1960, it was 1965 before the wholesale distribution company, Detroit High Performance Warehouse, was founded. And just three years later, the brand-new Northwest Highway store was opened in the northern Detroit suburb of Madison Heights, with that 20,000-square-foot facility taking over duties as wholesale warehouse and corporate headquarters.

The original Gratiot Avenue building was sold in 1970, and the same year saw the opening of Gratiot's Livonia, Michigan, retail store to service the fast-growing suburban areas west of Detroit. In the past six years, Gratiot outlets have come to Flint (1971), Roseville ('73), Pontiac ('74) and Utica, Michigan (1975). In the process, the company's employee count has grown from the original three, when Giampetroni was hired almost 30 years ago, to 104 people taking care of various duties within the eight separate corporations now under the Gratiot Auto Supply banner.

Bill Toia continues as president over this still-growing empire, while Giampetroni holds the title of vice president and, with it, most of the responsibility for day-to-day operation and major decision-making. Other key spokes in the Gratiot organizational wheel are Mike Venuto, who has held a number of positions over the past eight years, from floor salesman to his present responsibility as retail store operations manager; Ann Patton, who has served as controller since joining the company in 1970; and Giampetroni's wife, Kathy, who has managed the personnel department for the past three years. "Of course there are many good people," the vice president hastens to add.

Average employee age at Gratiot is 22-23 years, according to Giampetroni, and most are car and high-performance enthusiasts. "If they love

cars," he points out, "they'll probably enjoy working with the parts and the people we sell to."

Giampetroni attributes Gratiot's success to a high level of enthusiasm and the ability to stay on top of, and often ahead of, trends and movements in the fast-changing hot rod business. "We've always tried to be different, and we've put in a lot of 16-to-18-hour days," he says.

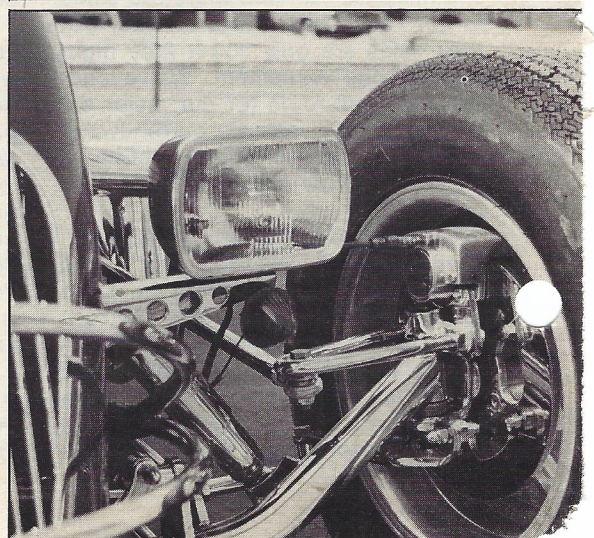
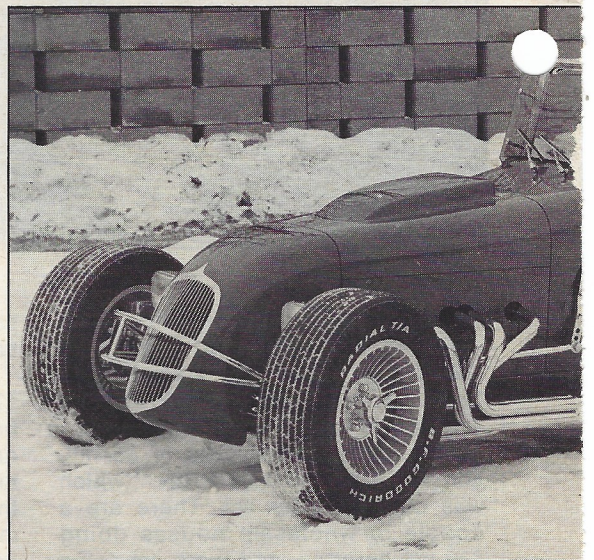
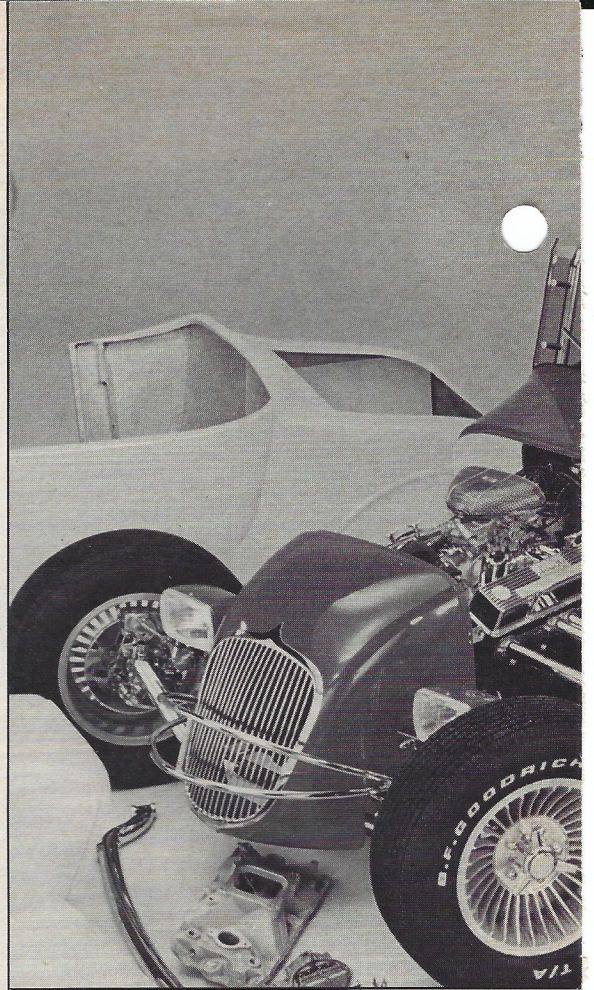
"In the beginning," Giampetroni explains, "we would build or design a new car, the car would generate a following, and that following would come back to the store. People would see a Gratiot product on one of our cars, would see it work, and would then want one for themselves. Staying involved in racing and in the various hot rod organizations is probably the key to the whole thing."

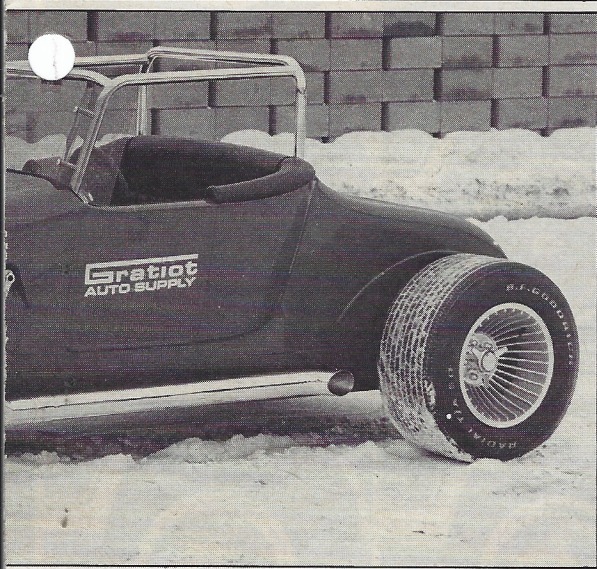
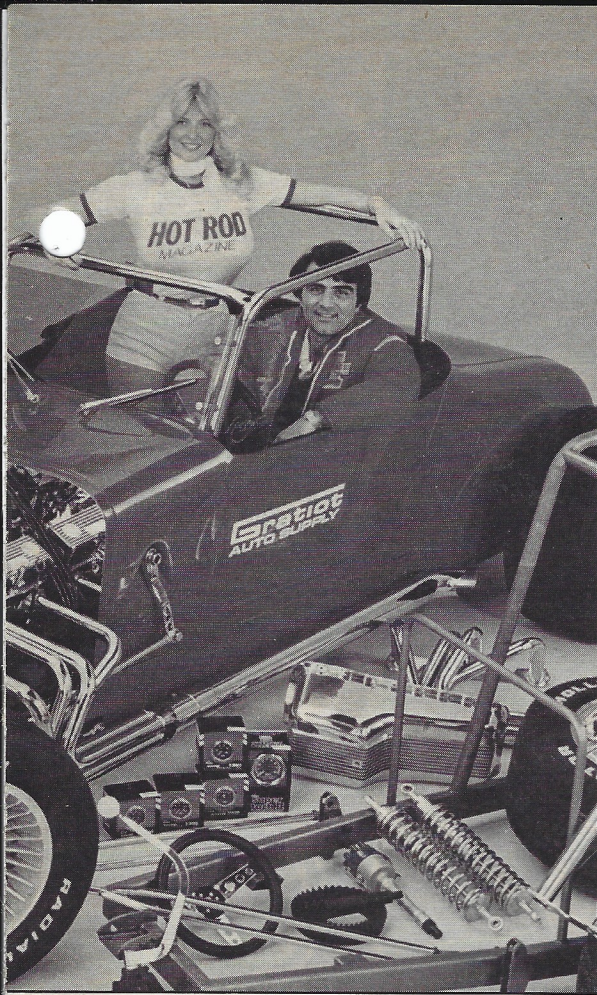
The last car that Giampetroni built and ran himself was an innovative rear-engine '27 Model T roadster, which was featured in the March 1963 issue of *HOT ROD*. In addition, there are currently seven Gratiot-sponsored drag cars in various classes running out of the Detroit area. The latest of these is a Vega-bodied funny car built by the Logghe Brothers and driven by Tom Prock. Powered by a Keith Black engine, this beauty qualified sixth its first time out at the NHRA Winternationals in early February.

The very active Gratiot V.P. is also on SEMA's board and has been involved with several EPA committees. A member of the Michigan Hot Rod Association, he has arranged Gratiot sponsorship of many of that organization's events, including major support of last year's Street Rod Nationals in Tulsa, Oklahoma. The impressive Gratiot customized van and a large parts display are standard fare at area auto, van and equipment shows, and Giampetroni himself owns no less than seven street rods as part of his personal car collection.

In addition to participation at the drags and in the shows, the company's promotional efforts include heavy advertising on one AM and three FM Detroit-area rock radio stations; newspaper campaigns in the *Flint Journal*, *Oakland Press* (serving much of suburban Detroit), *Detroit Free-Press* and *Detroit News*; prime-time TV spots with Hurst Golden Girl Linda Vaughn; and active sponsorship of the Detroit-area Soap Box Derby.

"Along with Bob Laravee of Promotions Inc.," says Giampetroni, "we have been trying to put the Soap Box Derby thing back together ever since Chevrolet dropped it, and we've been getting good coverage out of that. And the TV campaign





TOP—Linda Vaughn amply demonstrates the charms of the new Gratiot Sprint-T Roadster.

ABOVE—The styling of the car, Giampetroni says, "is basically '27 T with a track roadster approach and an Indy-type nose. We've updated it with all of the latest '70s-style pieces: B.F. Goodrich radial T/A tires on Western vane-type mag wheels, disc brakes, Holley manifold and carb system, and so on."

LEFT—Rectangular headlamps and front disc brakes are also part of the package. The only components on the kit that are not chromed are the front axle and the suspension.

with Linda Vaughn has been tremendous. We shot 12 spots with her last year and have eight new ones in the can for '77. We've also used her in magazine ads for the mail-order business, car shows and the like. Linda has been instrumental in making 1976 the huge success it was."

Performance enthusiast magazines are, of course, the major source of exposure for the Gratiot Auto Supply mail-order division, which currently accounts for some 17% of company sales. Giampetroni comments, "When we went into the mail-order business, we knew there was a tremendous need out there for someone to supply parts. The catalogue now runs 100 pages and continues to grow."

When High Performance Warehouse was created and started advertising on the wholesale level, Gratiot's reputation prompted a tremendous response, and the dealer count skyrocketed to over 400 jobbers, speed shops and hard parts outlets. In recent years, however, the company has whittled its dealer accounts down to a more manageable (and higher average quality) 350 steady customers in 30 states, plus Australia, New Zealand and Puerto Rico. There is even a full-time salesman servicing 35 or 40 accounts in Puerto Rico, according to the Gratiot V.P.

Naturally, one's headaches tend to increase exponentially with the scope and size of one's business, and Gratiot's Giampetroni is no exception. "Dealing with the freight companies, whose rates are very high, to ship across the country is one of our chief headaches. And there is also the problem of local laws involving car modifications and installation of aftermarket equipment. Pennsylvania, for instance, having voted to outlaw headers, straight-through exhaust systems, air shocks, oversize wheels and tires, etc., has been terrible on local legislation. Fortunately, the state's position has been loosened somewhat recently with much help from SEMA, but there have been similar movements in other states and our business could be hurt severely if the trend continues."

Although the performance parts business is somewhat seasonal, Giampetroni says this year's winter quarter (November-January) was up 25% over the same period in any previous year, largely due to sales of van accessories and equipment. "Everything for vans has been very hot," he enthuses, "and our van parts have more than taken care of the seasonal fall-off of the other stuff."

Probably strongest-selling items, in terms of volume as well as gross, are tires, of which about 8000 (of various

types) are normally stocked. Also fast-moving are headers, wheels and ignition components, followed by electronic equipment (CBs, stereos, speakers, radar detectors) and such appearance items as stripes, spoilers and flares. One hot new product is easy-on fiberglass "Super Flares" for Camaros, Firebirds and Mustangs. "There's a lot of people into fiberglass," Giampetroni exclaims. "It's a market that nobody has really exploited until now."

Surprisingly, Gratiot enjoys a good deal of mail-order business from California, despite shipping costs and the fact that much of the stuff ordered is built there. But pieces for small cars and trucks such as Vegas, Pintos, VWs, Datsuns, Toyotas and the like have not really caught on as yet. Gratiot catalogues and stocks a full line of small-car equipment, but only the Pinto parts have shown much life so far, according to the V.P.

One brand-new product Giampetroni is particularly excited about is a tube-frame, fiberglass-bodied '27 Model T replica street rod kit designed and built by Ron Fournier's nearby Racecraft organization. Called the "Sprint T," the car is expected to sell for a fairly reasonable \$6995; and HOT ROD Magazine, which recently featured the prototype on its cover, is set to buy the next two to use for promotional purposes.

Gratiot has been producing a '23 T kit since 1968 and has sold a respectable 30 to 40 units a year, but the new car is really Fournier's brain-storm. He had looked at Giampetroni's rear-engined '27 T drag car and visualized it as a street machine. So he had a designer do a rendering of his idea and showed it to Giampetroni. The Gratiot boss was impressed enough to say, "Let's build one," and the next day the two began seriously discussing the project. Not long after that, the concept became a reality, when a beautiful red swoop-nosed roadster rolled out of the Racecraft shop. It was much-improved over the '23 T kit in almost every way, most notably in comfort, convenience, practicality and safety. Its 38-inch-wide interior is more spacious for two occupants, and entry is eased by means of a functional right-side door. The body includes a full floor pan to completely enclose the running gear, thereby saving a lot of money in chroming for the show-minded buyer, and a roll cage of 1.5-inch, .090-inch-wall tubing is designed to save his head if necessary.

The chassis is constructed from 3x1.5-inch rectangular-section tubing, with a wheelbase of 109

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inches, crossmember widths of 22 inches front and 37.5 inches rear and a rear kick-up height of 16 inches. It's designed for easy fit with either small-block Chevy or 289-351W Ford engines, but can be adapted for other mills. Fuel capacity is 12.5 gallons.

While some '23 kits were sold with 4-speed transmissions, the '27 (bought complete) offers only a Turbo-Hydramatic 400 trans with its 350 Chevy engine because, says Giampetroni, "the automatic has

pretty much taken over in the '23 the last couple of years. It's much more desirable for street cruising."

"The styling," he continues, "is basically '27 T with a track roadster approach and an Indy-type nose. We've updated it with all of the latest '70s-style pieces: B.F. Goodrich radial T/A tires on Western vane-type mag wheels, disc brakes, Holley manifold and carb system and so on. The opening door is unique, and the fact that the driver and passenger sit farther down inside the car makes it



more comfortable and safer to drive than the older kit. The body pan is also unique and makes it less expensive to have a really good-looking car... all that needs chroming is the front axle and suspension." Chromed headers and side pipes, a fiberglass engine cover with scoop and a frameless custom windshield with "wings" complete the hand-built effect.

A bare chassis kit is offered for only \$230, a sprung chassis can be bought for about \$1300 and a complete body goes for just under \$1000, but most buyers are expected to go for the complete car, including engine, drivetrain, upholstery, wheels and tires, paint and plating, lights, brake lines cut to size, wiring harness and everything else needed for a legal street machine. Giampetroni and Fournier assure us that their Sprint T "will truly be a kit that the average enthusiast with mechanical experience can put together with a minimum of hassle." The pair plans a careful study of construction time on the No. 2 car—just to be sure.

One reason the price can be held so low is the expected volume of sales after word gets out about the car. The prototype cost about \$40,000 to build (including design, tooling and molds), but eventual sales of 75 to 100 copies a year should bring the cost down to where both Racecraft and Gratiot can make a tidy profit. Ten more Sprint Ts are under construction at Racecraft (to be ready for sale by the time you

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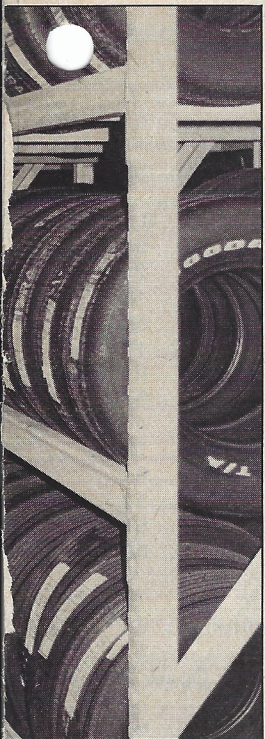


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Joseph Labadie checks part of the huge Gratiot tire inventory in the 20,000-square-foot Detroit High Performance Warehouse, which also serves as corporate headquarters. In addition to the wholesale business, Gratiot has six retail outlets to service the fast-growing suburban areas west of Detroit. The company's employee count has grown from the original three, when Giampetroni was hired almost 30 years ago, to 104 people taking care of various duties within the eight separate corporations now under the Gratiot banner.

read this), but future plans call for Fournier's shop to build only the frames, while Gratiot will set up shop in a separate building to do the rest. Giampetroni says he's also looking at selling completely assembled Sprint Ts in the future (at a bit over \$10,000), and his lawyers are examining the problems of product liability and government regulations associated with low-volume car production and sales.

So it looks like nothing but more growth for Gratiot Auto Supply and its prime mover, Angelo Giampetroni, in spite of shipping costs, rising fuel prices, federal, state and local government intervention and everything else. Even the 1974-1975 fuel crisis and recession-caused "slump" resulted in only a momentary lag in the company's growth rate, with '76 rebounding to become its strongest year ever.

The fully computerized inventory system now handles some 1.7 million parts with 9000 different parts numbers for distribution to wholesale outlets in three-fifths of the U.S. and three foreign countries, catalog sales cover all 50 states, and the number of retail stores in Southeast Michigan continues to grow. Chalk it all up to a fast-growing performance parts market, prices kept reasonable through high volume, and continued strong involvement in hot rod events and organizations—plus a healthy formula of enthusiasm, innovation and sweat on the part of Angelo Giampetroni and his people. ■■



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