

MAYPOP SALES AND SERVICE
2554 Como Avenue, St. Paul, MN
BUSINESS PLAN
May 7, 2015

BACKGROUND Maypop Sales & Service, owned by Benjamin Taylor Helberg, has been in business at this location for over 5 years. The previous location of the business was a smaller space in an adjacent building located within this same complex but Maypop moved to the new location in Building C approximately 2 years ago. Business was very successful and Maypop needed additional storage space and is now located in a larger area containing 17,500 square feet. Maypop has not previously had a license for its business but the City of St Paul Fire Inspector has required that Maypop obtain a license as item #11 of its Inspection Report dated April 22, 2015. The approved use of the building is S-1 Storage Warehouse. The Report states that a license may be required for secondhand dealer or auto repair garage. At the hearing before Marcia Moermond, Legislative Hearing Officer, on May 5, 2015, it was decided that this matter would be referred to the City Attorney to determine what license should be obtained. After the hearing, a Class N application was provided to Jeff Fischbach which he would hold until the type of license requirement is determined.

BUSINESS Maypop is in the business of wholesale sales of used tires. These tire types have a wide range and include tires for cars, semi-trailer trucks, pick-up trucks, vans, bobcats, motorcycles, trailers and ATVs.

SUPPLY There are variety of ways that Maypop acquires its tire supply. The primary method is purchasing them in bulk from dealerships, scrapyards and automotive service centers. Frequently, Maypop goes on site and picks out the best used tires and places a bulk order. The tires are then loaded into a van or truck owned by Maypop and moved to the Maypop warehouse at 2554 Como Avenue.

When the van or truck arrives at the Como Avenue warehouse, it pulls up to the loading dock and the tires are unloaded and moved into the warehouse and stacked. If they are not good tires, they are stacked inside near the front door for recycling. The bad tires are either brought to Fred's Tires for recycling or First State Tire picks them up within one to two weeks. The bad tires constitute approximately 5% of the inventory and the only reason that they come to the warehouse is because they are part of the bulk sale. The good tires are then marked by size and placed in the proper row according to tire size to wait for an order. Some tires are sold and moved within a day while others stay for several months depending on the demand.

SALES Customers are primarily repeat business because Maypop has built a solid reputation and has developed these relationships for over 5 years. Typical orders range from 4 to 2,000 tires are either placed on the phone or the customers just come to the Maypop warehouse. Some long-term customers come to the warehouse to hand-select tires and place a bulk order. These bulk orders are then picked up by semi trucks and placed in containers to be shipped by rail or in cargo ship containers overseas. Over the years, Maypop has had several container orders shipped to Atlanta and various locations in Africa and South and Central America.

Some customers find Maypop through its internet advertising. An example of a typical new customer is Palette Resources, a palette recycling and manufacturing company, based in Blaine, Minnesota. On May 4, 2015, a Palette representative located Maypop on the internet, contacted them and placed an order for 35 semi truck tires. On May 7, 2015, Palette drove its semi truck to the Maypop warehouse to pick up the tires. The semi pulled up to the front dock and the tires were loaded into the truck. Palette paid Maypop at that time.

Maypop also buys tires from junked cars that are going to the scrapyards, Metro Metals, which is located a few blocks away. Often, a tow truck stops at Maypop to sell the tires. Maypop removes the tires from the junked car on site and installs "donuts" or cheap spares on the vehicle so that it can be transported to the scrap yard a few blocks away.

If a customer purchases tires for its car, they come to Maypop and purchase the tires. The tires are loaded into the customer's car and are installed off-site at their local service station. Maypop refers customers to its affiliate Commercial Auto Radiator Repair at 701 North 7th Street in Minneapolis. Occasionally, Maypop installs tires on its own vehicles and vehicles owned by friends and family with its on-site installation equipment.

ON SITE STORAGE The typical stay for delivery trucks is a few hours. Vans and trucks owned and operated by Maypop stay on site and are parked in front of the building.