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GLENN TRIEST

Norma Wallis builds high-performance into her cars and her business, Livernois Motorsports L.L.C.

Tuned up for success

Norma Wallis brings biz expertise to motorsports venture

By Terry Kosdrosky

Crain's Detroit Business

After expanding a formerly small division of the family business, Norma Wallis is revving up her fledgling motorsports company.

Over the past few years, **Livernois Motorsports L.L.C.** has caught onto the growing "tuners" market, named after those who like to modify, or "tune," cars. Not unlike Wallis, who drives a black Mustang Cobra modified to deliver 660 horsepower.

Livernois Motorsports specializes in high-performance cars, engines and racers. The Dearborn Heights company builds and installs engines, cylinder heads, turbochargers and other products. It also has a retail outlet that sells accessories.

"It's tough to make it in this business, but that's the fun part," Wallis said. "And it's growing. We think we can make some things that are different, that aftermarket folks are looking for."

Her plan is to take annual revenue from about \$4 million last year to \$10 million in three to four years.

That's more than double, but Wallis has done it before. When her family in 1999 sold **Livernois Engineering Co.**, a maker of heat-exchange equipment, she bought the vehicle-development division. It had 11 employees, \$500,000 in annual revenue and two orders from **Ford Motor Co.** The motorsports unit didn't even exist.

Now **Livernois Vehicle Development L.L.C.** has prototype, testing, engineering, crash-test preparation, alternative fuels and garage services and reported about \$16 million in 2003 revenue. It employs about 300 and is Ford's sole vehicle-preparation supplier for the automaker's Dearborn crash-test center.

Richard Knoles, selection supervisor for Ford's vehicle crash safety systems, said Livernois Vehicle Development beat out several other suppliers. Contracts are harder to win because automakers do more sole-source deals. For example, nine suppliers used to do crash-test preparation, Knoles said.

"There are other good suppliers, but this has worked well for us," he said.

The motorsports company was born from the vehicle-development side. Wallis' son, Dan Millen, drove a street race car and worked on others. Wallis found out Stu Evans Motorsports was for sale and thought it would make a good side business. She bought it in 2000. Stu Evans already owned Holbrook Enterprises, another well-known company.

"I thought we could really jump start this," Wallis said. "We bought some equipment, brought over some employees and their work in progress. Then we grew it. We focused on the street racer. We figured the aftermarket would be big."

Livernois Motorsports bought **Detroit Speedworks** last year, giving the company more experience in detailing and increasing its "street credibility" with tuners, Wallis said.

One career hot-rodder said Livernois Motorsports has grown because it bought the right kind of expertise and got into the business at the right time.

"They got the best people when they started this," said Dick Forton, chairman of the **Michigan Hot Rod Association**. "I knew a lot of those guys for a long time. As others went out of business or sold off, Livernois just kind of filled their niche."

So-called aftermarket tuning has turned into a multibillion-dollar industry, Forton said. What's good for companies like Livernois is that souped-up cars aren't just for people who tinker in their garage, he said. Installation is a bigger part of the business now.

"A guy who has enough money see what he likes and says, 'Make that for me,'" Forton said. "If you read the car magazines, the book is hundreds of pages with so many advertisers."

Livernois Motorsports is growing by developing new aftermarket toys, such as a turbocharger for the Cadillac Escalade and building an engine for the Jeg's Engine Masters Challenge, presented by Popular Hot Rodding. Millen continues to race, and the company sponsors another car, keeping Livernois name out in the racing community.

The company also invites car clubs to the shop for cookouts and tours. Some are surprised to find a female in her 50s heading a company that caters to boys and their toys, but she loves cars and always was the champion of the car side of Livernois when her father, who didn't share her interest in cars, ran it. She said the two often argued about expanding vehicle development.

"They say, 'This is what you do?' and I say, 'It's something I've always wanted to do,'" she said.