MEET THE EXECUTIVE

An Interview with Craig Robinson

by Tariq Kamal

AE racks up frequent flyer miles with Craig Robinson, president of AAGI.

In November, Craig Robinson accepted an offer to join American Auto Guardian, Inc. (AAGI) as the company's new president, propelling friend and associate Tim Brugh to the position of CEO and setting the stage for a partnership Robinson believes will pay dividends for the organization and its network of agents. *Agent Entrepreneur* met with Robinson to trace the steps that led him to AAGI and what's it's like to be in competition with your own father.

AE: Craig, the end of the year is upon us, and you're in a new job. Are you still catching up or are you ready for 2018?

Robinson: Holistically, as an organization, we are absolutely ready to finish 2017 strong and we are really excited about our prospects for the coming year. Me specifically? I'm still trying to get the lay of the land. But I have been around this business long enough and grown to know Tim Brugh well enough that we're in sync strategically.

AE: In the announcement, you were quoted as saying AAGI is the best company many people have never heard of, and you pledged to change that.

Robinson: That's a big part of the reason I joined this organization. The feedback I have heard from people working in the industry and uncovered in the course of due diligence was all fantastic. That said, when I landed, I must have had several hundred people reach out to me — some from outside the industry, some from inside — and roughly 10% of them congratulated me on working for a competitor of ours located about 10 miles southwest of us.

It was interesting to see that even those well-versed in our industry can be confused at times. But the company is investing in an overarching rebranding effort as "AAGI," which should help further differentiate us. Rebranding aside, we have tremendous aspirations for our growth in the industry, organically as well as inorganically.

AE: I know a rebranding can help convey the impression that a company has evolved or is moving into a new phase.

Robinson: That's what we're hoping for. If it was just to differentiate our name from another company, it wouldn't be worth the effort. We are a lean organization. We have a staff of 82 producing a high volume of business that many other companies need significantly more employees to reach, And we are launching new products and doing new things, all in an effort to get our name back to the forefront of potential clients' minds.

AE: I understand you recently did some work for a dealer group after a long stretch with The Warranty Group.

Robinson: I was hired by an entity that is part of one of the largest non-publically traded dealer groups in the U.S. I was hired to help them round out their vertical integration strategy and acquire various companies that fit within their mid- to long-term plans. Unfortunately, the transaction for which I was specifically hired was not consummated.

AE: Judging by the reports we're seeing from Kerrigan Advisors, that may be the one dealership merger or acquisition that didn't happen.

Robinson: I think you'd be surprised by how many transactions don't go through. You don't really hear about them. I spent a fair amount of time consulting in the M&A space over the summer. I would estimate that upwards of 30% of the transactions aren't finalized. However, you're right, there's an extraordinary amount of activity. There continues to be a lot of dry powder on the sideline as private equity companies and other strategic buyers are looking at how to deploy their assets. I don't see that slowing down anytime soon.

AE: Dry powder?

Robinson: Money, sorry! "Dry powder" refers to the nearly $1 trillion sitting on the sideline while they look for the right investments.

AE: The last report we saw indicated that dealer angst is helping fuel M&A activity. The premise is that dealers are not sure where they fit into the auto retail industry of the future, so they're selling now rather than take the chance that they or their descendants could be stuck with an unprofitable business. Is there any truth to that, in your experience?

Robinson: I think there is some truth to that. When you look at the long-term planning for an individual — and not just dealers but owners of agencies or administrators or really any company in the automotive sector — you see that the world is changing. The subscription economy is here to stay. You're going to see the Ubers and Lyfts of the world become a larger component of the fleet industry. Their No. 1 expense is drivers, so naturally they're going to look at the autonomous space.

Our country's infrastructure and various other obstacles in the path will not allow driverless vehicles to happen overnight. If you're looking at a three- to five-year timeframe, I don't think you should be that concerned. But 10 years out, yes, the world is going to change. We need to prepare for it or be passed by.

AE: Tell us about your experience at The Warranty Group.

Robinson: Great company. I wouldn't be where I am if I hadn’t spent my time there. We took our bumps and bruises along the way, but I had a great experience. I started as the power sports guy, handling motorcycles, ATVs, RVs, boats, things of that nature. I got promoted and took over a relatively small program we had at the time called CarMax. That was a phenomenal ride. Many people don't know CarMax was started by Circuit City.

AE: You're kidding.

Robinson: They had this idea to create a car-buying experience based on how you treat your customers. Many of the executives were a little apprehensive, but one guy, Austin Ligon, believed in it and took it over, and the rest is history. Circuit City eventually went away, and CarMax is still this massive enterprise.

At the same time, I had a handful of third-party administration clients, and I lobbied for the TPAs to have a standalone division . I became the assistant vice president of the automotive TPAs. We did a great job growing the business and adding clients, and I parlayed that into running all the TPAs, including furniture, medical devices and electronics and appliances, among other industries.

In 2011, I was promoted to run all of Latin America. I had five local CEOs throughout the region and 600 people reporting to me. And I spent an extraordinary amount of time in Latin America, upwards of 1,000 days over a five-and-a-half year period. I traveled to Mexico, Colombia, Peru, Argentina, Brazil and Chile.

AE: That must have been an incredible adventure.

Robinson: It was, and it was also challenging at times. Every country was different. I learned a lot, and those years helped continue to mold me into the executive I am today. But there was a lot of time away from my family, which was tough. It was a great experience, but I got burned out, and the organization was looking for someone who lived in Latin America to run the region. We had a mutual separation in August 2016.

After I took a couple weeks off, I went to work with that dealer group. I did that for nine or 10 months and then enjoyed about four months off this summer. I played golf virtually every day, Then I would come home, do some networking for a couple hours, then gather my wife and two kids and hang out at the pool every afternoon.

My rationale was that my son was three months old when I got promoted into Latin America. I was barely able to see him. He won't remember that I was gone, but I will. Now that he's nearly seven, I hope he will remember the summer he spent with Dad. We will likely never have an opportunity like that again, or at least until I retire. It was a great summer and I would never trade it for anything.

AAGI CEO Tim Brugh (left) confers with newly appointed president Craig Robinson at the company's Chicago-area headquarters.

AE: How did you connect with AAGI?

Robinson: I was doing some consulting for Tim. I had a significant number of opportunities presented to me, and I was evaluating them when Tim asked me to join the team. My first response was, "Thanks, but I'm not interested at this time," but we continued to talk about what the role would look like. Once we put a tighter frame around it and I knew more about what he was thinking, I was incredibly excited to join. So far, it's been everything I could have hoped for and more.

AE: Does working for a smaller company change the way you operate as an executive? Is there a difference in your personality or your tone?

Robinson: Yes and no. There are strategic and tactical components of my role that don't change. You still have to look to the future, plan for the future, put the right pieces in place, and tactically execute against your strategy. As a smaller company, you might have to go about that in a different way. I mentioned I had 600 people reporting to me in Latin America. We pared that down to 475, but compare that to a total of 82 employees. Mathematically, that's fewer resources. When you're setting goals and objectives, you have to take into account what's available to you.

The other thing is that, sometimes, in a bigger company, you might feel like you're just a number. There's a less personal approach. One of the things we're most proud of is that, although we have sprinkled in some newer employees like myself, we have many people who have been here since the beginning — with tenures of 15 to 20 years! They would tell you they have stayed because of the family-type atmosphere we have here.

We truly care about our employees and our clients. We take a partnership approach to everything we do. We're not interested in being the lowest-cost provider or buying from the lowest-cost provider. This company has a heartbeat, and as one of the leasers, it's my responsibility to make sure those core values never change.

AE: Do those values extend to your agents?

Robinson: Absolutely. One hundred percent of our distribution — other than OEM business — is through agents. I think all of our agents will tell you they can call anybody in this building and they're going to get the information they need. In sports, it's the "next (wo)man up" philosophy. You're not going to find someone here who says, "That's not my job. Go find this person."

Everyone here is empowered to help our clients. We don't want to do business with every agents. We want to do business with agents who want to partner with us. Any agent who has partnered with us can tell you the approach we take to servicing their business is a very familial, jovial, inclusive approach. One of our taglines is "We succeed only when you do." We live it and breathe it every day. Everything we do is to help make our agents successful. If they're successful, we'll be successful.

AE: Where are you from originally?

Robinson: I kind of grew up all over but I consider myself to be from Northern Virginia. That's where I went to high school and where my parents lived through my time in college. I went to the University of Miami. Miami being what it is, I got an itch for international business, so I got my degree in international finance and marketing.

AE: How did you get into the car business?

Robinson: I've grown up in this business. I'm 40, but I consider myself as having been in the business for 38 years. That's how long my father, who is currently the head of Resource Automotive, has been in it.

AE: Charlie Robinson?

Robinson: That's my dad! After I graduated, I moved back to Virginia. I got a job waiting tables and wound up as a head waiter at a McCormick and Schmick's. I was making a ton of money, which made it harder and harder to move on to something else. I thought about restaurant management, but I really wasn't sure what my next move would be.

That's when the CEO of what was then the Aon Warranty Group called me up. We had an interview and they offered me a job. I told them I would take it under one condition: I wanted to be judged on my own merits, so I would only work on something other than what Charlie was doing. At the time, he was still in Virginia, working as a regional manager for what many know as the old Pat Ryan & Associates.

So I moved to Chicago, not knowing a soul in the city, and just as my career trajectory took off, Charlie left to become the F&I director for Asbury Automotive. You may find this funny, but, when he left, I was still "Charlie's son," but when he came back to The Warranty Group, he was "Craig's dad/" And when I was running the TPA division, we were effectively in competition. And our offices just happened to be right next to each other.

So we were competitors then and once again we're competitors. We wish each other the best of luck in our professional lives, and at the end of the workday, we go back to being a family. And we've both been in this industry long enough not to wish anyone ill will. As long as you're working above board, I call it "coopetition." Let the best man or woman win. I don't like losing, but it's always nice to see people who have put in the time and effort have some success. And after all the changes that have happened, I for one look forward to what's to come.