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What's old is new again



Tire Discounters' multi-million-dollar headquarters at the corner of West Fourth and Elm streets in downtown Cincinnati unites corporate staff previously split between two locations about 20 miles apart.

## Tire Discounters unveils Cincinnati headquarters

By Jim Johanson  
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### CINCINNATI

There certainly are nods to the past in Tire Discounters' new downtown Cincinnati headquarters, located in an historic six-story building.

But executives of the regional tire dealership expect the new space to help propel the company for years to come. It is a future that includes plans for growth through acquisitions as well as construction of company-owned stores, a vision that also involves a franchising component that's now rolling out.

Tire Discounters is a 140-store chain in six states that has goals to create a national footprint in both company-owned and franchised locations.

Tire Discounters unveiled the multi-million-dollar headquarters project June 25 at the corner of West Fourth and Elm streets in downtown Cincinnati that unites corporate staff previously split between two locations about 20 miles apart.

The tire retailer easily could have looked to the suburbs to build a new headquarters for less, but CEO Jamie Ward said being in downtown Cincinnati is key to the



Managing Director Anna Wood said the new office was constructed with an open design, allowing for both collaborative work and the ability to find a secluded spot when needed.

company's ability to continue to grow.

"When you have best-in-class talent, you have to be where they are," he said. "If we are going to hire some big shots from Amazon or Procter & Gamble or all these amazing law firms — we have three GCs (general counsels) on staff — if we are going to bring in these pretty top-dollar people on the team, this is where they live. This is where they breathe. This is where they hang out. So this really serves them," Mr. Ward said during a grand-opening event.

Plus, he has a pretty sweet view

of the neighborhood from his sixth-floor corner office.

While Tire Discounters is a private company and does not release financial information, the CEO did allow that the purchase and renovation of the building cost "under \$8 million" in total. Tire Discounters purchased the site from the Greater Cincinnati Foundation for a reported \$1.84 million in 2019.

The history of the building dates to 1919 and was once home to S.P. Nelson & Sons, a maker and distributor of women's and children's wear and "fancy goods," according

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## Ruling affirmed

### ITC finalizes antidumping duties ruling

By Bruce Davis  
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#### WASHINGTON

The International Trade Commission (ITC) voted June 23 to affirm the imposition of antidumping duties on consumer tires from South Korea, Taiwan and Thailand, but terminated the investigation into dumping from Vietnam.

The decision, by a vote of 4 to 1, cemented elevated duties of up to 101% for at least five years on nearly \$3.5 billion in imports from the three remaining Asian lands, as determined earlier by the U.S. Commerce Department, which based its ruling on its belief that such tires "are being, or are likely to be, sold in the U.S. at less than fair value."

At the same time, the Commission — which ruled in favor of the duties after hearing arguments for and against them during a virtual hearing on May 25 — affirmed the imposition of countervailing duties on said imports from Vietnam.

Republican Commissioner Da-

vid Johanson was the lone dissenting vote.

The antidumping duties will be up for review in 2026 under "sunset" regulations in place for such actions by the Department of Commerce.



Technically speaking, an order stays in place until it is revoked, according to an ITC spokesperson, but Commerce and the ITC are obligated to conduct sunset reviews on orders every five years on the anniversary month of the publication of the order authorizing them.

During a sunset review, Commerce must examine whether dumping or subsidies will continue or recur if an order were revoked. Separately, the ITC examines whether injury will continue or recur if an order were revoked.

The investigation — which was carried out in response to a petition from the United Steelworkers in May 2020 — covered a period from April 1, 2019, through March 31, 2020.

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## Omni hopes dealers pursue greener future

By Don Detore  
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### SINGAPORE

It doesn't take long to realize that Omni United Pte. Ltd. isn't just an international tire distributor focused on Tier 3 products.

Click on the Singapore-based firm's global website — omni-united.com — and you don't see a tire or a logo or a mascot or pithy slogan.

Instead, you find a page headlined, in all caps: *CLIMATE CHANGE NEWS. Carbon dioxide levels at 63-year record high.* Or one that says: "Yellowstone National Park report shows climate change threat."

The "read more" link goes to a page that details a research study, conducted by three independent bodies, that reports the national

park — famous for the Old Faithful geyser as well as wildlife such as the bison, grizzly bear, deer, elk, pronghorn etc. — is facing the threat of global warming.

It's no accident that web surfers would see that news first.

Sustainability and carbon strategies aren't just buzzwords for Omni United founder and CEO G.S. Sareen: They are a way of life.

Mr. Sareen wants tire dealers everywhere to know that, like it or not, carbon neutrality will be here today, tomorrow and long into the future.

"It's a journey that people can go on now," he said during a telephone interview from his home in Singapore, where his company is headquartered. "The conversation must start now."

Mr. Sareen, who founded Omni United in 2003, said he has been having this conversation since in 2013.

Omni United, represented in the SEE OMNI, PAGE 21



Sareen

Small town, big success

Georgia Tire's 75th anniversary Page 18

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## Omni United eyes growth while staying Tier 3 distributor

By Don Detore  
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### SINGAPORE

As founder, president and CEO of international tire distributor Omni United Pte. Ltd., G.S. Sareen has plenty of ambitions.

He has plans to grow the company in the U.S. to serve most every region, plans that include adding mixing warehouses to facilities the company currently operates.



**omni**

He and his company will continue to support breast cancer research, through a partnership with ladies' professional golf. And he is working on reviving the idea of collaborating with another brand to put their name on Omni United-sourced tires, such as the Timberland Tire that launched several years ago but remains "on ice."

More about that later.

There are two things, though, that he promises he will never do.

First, he won't entertain the notion of building a tire plant. Instead, his company designs the products and contracts with several manufacturing partners, mostly in Southeast Asia, to make the tires.

"We have enough volume to justify a decent-sized plant," Mr. Sareen told *Tire Business*. "But it would be in one location, one region — China, India, Indonesia, Thailand, America. What if the geopolitical situation were to change? We would be stuck with it."

As it stands today, Omni United is able to distribute its array of tires to 80 countries. Should a tariff be levied by one country on tires produced in another, Mr. Sareen said Omni United has the ability to move tires

produced in an affected country to a second country where tariffs haven't been levied.

"These are products that are designed, managed, engineered, the whole shebang, by us," he said. "We are pretty much doing everything a manufacturer will do except owning the facility but having long-term manufacturing contracts."

The second item he won't change is Omni United's Tier 3 standing in the market.

"I don't want to be in any other space," he said. "I think Tier 3 is extremely fantastic, it's big, it's the fastest growing category, and from a business point, it makes perfect sense because it's unstructured. It's very fractured and fragmented, so a little bit of structure into this goes a long way."

He compared his company, at least from a business perspective, to Li & Fung, a Bermuda-incorporated, Hong Kong-based supply chain "mammoth" that sells apparel and other household goods, offering, he said, "fantastic quality at a great price."

"That was a model I thought was really fascinating when I started this business 26 years back. I've tried to basically walk that walk."

Mr. Sareen said Omni United offers not only quantity, but also quality at value pricing.

"Some Tier 2s don't have the range we do," he said, noting the company has put a renewed emphasis on the look of the tire while maintaining its performance attributes.

"Tier 2 is crowded, it's competitive, and I think Tier 3 is a very comfortable space for us," Mr. Sareen said. "I think we can grow enough in this space."

That growth will include adding more mixing warehouses in key regions across the

U.S., sooner rather than later.

In 2015-16, Omni United dabbled into the wholesale business with its acquisition of U.S. wholesalers Interstate Tire Distributor and A to Z Tire & Battery Inc., with the goal to become a distribution player.

But in the subsequent years, the wholesale market changed dramatically, as Sumitomo Corp. of Americas and Group Michelin formed National Tire Warehouse (NTW) and Goodyear and Bridgestone Tire Americas combined to start TireHub L.L.C.

"It wasn't profitable in spite of our best efforts," he said of the wholesale market venture.

Omni United reorganized those assets into a mixing warehouse, called Omnisoource, to store its products. A U.S. customer, who previously could buy one container from one country of origin, shipped to his store, now can order a mix of Omni United products made in various factories across the globe.

The wait time, he said, has been reduced from 65 or 75 days to seven to 14 days.

"What does it do to my cash flow is it increases my working capital," Mr. Sareen said. "Instead of shipping a container from Thailand to a customer, I have to bring all of these containers into Omnisoource, then redistribute and ship them out to all customers. 'I'm OK with that model. I will increase my cost, but I will be able to get a much bigger share of the volume.'"

Omni United has plans to open mixing warehouses in the Northeast and Southeast, servicing, he said, 75% of the U.S. population.

He has plans to duplicate the operation in Europe.

His commitment to supporting breast cancer research — a hallmark of the distributor

in the U.S. — remains strong, despite the fact he said his family have not been touched by the disease.

Since Omni United and Radar Tires started supporting breast cancer research a decade ago, they have funded thousands of hours of research while creating awareness.

"One in eight women in America will get affected by it," Mr. Sareen said. "I have not met a single human being in the U.S. (who has not been affected by it). It's such an emotional subject."

Besides his passion for carbon neutrality (see story, page 1), Mr. Sareen said Omni United continues to explore more partnerships to create a global lifestyle brand, similar to past efforts the distributor attempted with Timberland L.L.C., an American manufacturer and retailer of outdoors wear, especially footwear.

He said the cost factor put the Timberland partnership — which employed a true closed-loop recycling model — on hold.

"I still think it's a cool concept," he said. "We are in discussions with other brands besides Timberland to still go in that direction. I still think there is room for a branded tire being sold in the world."

He noted that there is Giorgio Armani-branded furniture and Ralph Lauren-branded paint.

"Brands have entered all aspects of consumerism except the tire business," he said. "I think that will happen. It should happen."

Omni United, he said, has a workforce of nearly 100, with plans to keep growing.

"All of these go hand-in-hand with how successful you are and what you can afford to do," he said. "As we move forward we will definitely be putting more visibility out there."

## Omni

CONTINUED FROM PAGE 1

U.S. by Omni United (USA) Inc. of Traverse City, offers 2,300 SKUs — including 60 sizes for classic cars — in a range of brands such as Radar, Patriot, American Distributor, Tecnica, etc.

The tires are manufactured in several facilities spread out mostly across Southeast Asia and are available in more than 80 countries.

Omni United perhaps is the lone Tier 3 offering — the tier where Mr. Sareen wants to remain — to put so much focus and resources behind carbon neutrality.

The reasons, he said, are simple: Not only is it good for the environment and the future of the global ecosystem, it makes sound business sense.

One trend illustrates that: Carbon taxation. Several countries have begun to levy a carbon tax on carbon emissions tied to the production of goods and services. In simple terms, the taxes are designed to incentivize companies to reduce their carbon footprint and in turn help improve and preserve the environment.

Several European countries are taxing companies for carbon emissions, led by Sweden, which levies a tax of \$137 per ton of carbon emissions. Other countries that have followed suit include Denmark, Finland, Germany, Ireland, Italy, the Netherlands, Norway, Slovenia, Sweden, Switzerland and the United Kingdom.

Singapore also charges a carbon tax. Mr. Sareen said his company has absorbed the tax, which remains small at this point, but should Singapore raise the tax, and other countries follow suit, it could be catastrophic.

"If they impose a tax of, say, \$5 (per metric ton)," Mr. Sareen said, "we'd be OK. But if that became \$50 ... we are done. Out of business. This is something most businesses don't understand."

"The carbon tax can completely disrupt the situation."

Carbon emissions, he said, are generated in three ways: Production, consumption and disposal.



Production takes into account carbon emissions not only at the plant, but also in the delivery of raw materials to the plant. How is that plant powered?

Consumption covers the product from its delivery to the consumer to the vehicle that uses that specific product. What energy is used to deliver the products, i.e., how is the container ship powered? And how energy efficient are the vehicles that fit those specific tires?

Disposal accounts for the process to get rid of the product.

"You can measure these things, and that is called your carbon footprint," Mr. Sareen said. "How much are you actually emitting for a set of four tires?"

Major tire makers devote a significant portion of their resources to their sustainability goals, as documented in many annual reports. Group Michelin, for example, has pledged to lower CO2 emissions from all of its produc-

tion facilities by 50% by 2030 compared with 2010, with the ultimate goal of achieving carbon neutrality by 2050.

Tire companies can reduce their footprint by, for example, converting a plant to a more efficient energy form from coal, but they also can accumulate assets that offset their carbon footprint and help improve their score.

Those assets include investing in agency-approved green projects, such as windmills, solar energy, etc. Another direction might be to plant trees or install solar panels, or perhaps deliver product on carbon-neutral vessels or electric vehicles from certain logistics carriers.

In order to address the issue, Mr. Sareen said Omni United will not contract with a tire plant powered by coal, and he is hoping to contract with cargo carriers that are more ecologically efficient.

Since Omni United's products are less ec-

pensive Tier 3 alternatives, they often are used on older, less efficient vehicles. That, he said, must change.

"As a company we will have to take steps into moving to a different direction from a product design perspective," Mr. Sareen said. "If your product is used in an electric vehicle, you have zero consumption."

Mr. Sareen said he believes all stakeholders in the industry must evaluate their businesses and move toward carbon neutrality. That includes the independent tire dealer in the U.S.

"Come up with your carbon strategy," he said. "Do you have a plan for your business to survive to 2050, or are you living on a day-to-day basis?"

He suggests dealers contact their bank and inquire about "green" loans. He said by sharing any type of carbon-neutral strategy, the lending institution might offer lower borrowing rates.

Omni United, he said, has done just that in Singapore.

"We have got ourselves qualified as a green company, so our borrowing rate has come down (significantly) at banks," Mr. Sareen said. "If you're doing a \$100 million business, and you're playing the game well, you can save up to \$400,000 to \$600,000 just by lowering your borrowing cost."

He said for many of his customers in the U.S., "climate change and sustainability are not the priority for them."

But if dealers start making a change themselves, while asking companies they deal with to do the same, carbon neutrality could become a reality much sooner.

"If dealers, large (tire) customers in the U.S., start demanding, just as we are demanding ... if they start asking the question, 'What is your carbon strategy?,' that will collectively reduce the footprint."

"They're not producing tires; they're only selling tires. They are only redistributing tires. But they have a stake in this. That strategy becomes their common strategy."

"Plus, it can save them (carbon) taxation, which is sure to come."