



NEWSRELEASE

Mighty Celebrates 50 Years of Franchising

Norcross, GA –January 14, 2020 – For Mighty Distributing System, 2020 marks its 50th year in franchising. The types of franchise partners Mighty brings into the fold have grown and changed throughout the years, but the core business model remains successful and attractive to both entrepreneurs and automotive business owners alike.

The company, through its Mighty Auto Parts franchises, has developed a unique niche in the automotive aftermarket by focusing on the wholesale distribution of preventive maintenance products, providing inventory management services and offering training resources to heighten the success of automotive service businesses.

Founded in Maryland in 1963 as a route sales business, Mighty distributors began supplying tire and ignition products to service stations and garages from step vans referred to as “warehouses on wheels.” They uncovered a significant market need rooted in helping shop owners maintain the right mix of replacement products in their service bays to more efficiently perform basic maintenance services and repairs for their customers.

In the late 1960s, the newly popularized business growth strategy of franchising caught the attention of Mighty’s founders as a viable expansion alternative. Mighty was ripe for growth and the uniqueness of the business model represented an attractive financial opportunity to prospective business owners. The first franchise was awarded in the state of Virginia in 1970 and numerous other units soon followed. Initially, Mighty recruited individual owner-operators for granting franchise licenses in exclusive distribution territories. The early franchise owners, frequently aided by family members, established warehouses within their territories and then often did it all...sales, delivery, warehousing, purchasing and managing the finances.

One of Mighty’s most successful franchises was established in Louisiana in 1974 by the late Jerry Lemons and his wife Sharman. Today, their son Shannon continues to operate one of the highest volume franchises in the System. Reflecting on their success and longevity, Shannon recently stated, "My parents established one of the very first Mighty franchises. Not only does Mighty provide us with great product programs, but more importantly, they provide tremendous support. This partnership, based on the core values of honesty and integrity, has enabled us to build a multi-million dollar business that employs 27 people and services hundreds of automotive businesses in three states. After four and a half decades of operating as a Mighty Franchise, our family would say this partnership has been a real privilege."

One of Mighty’s most profound changes emerged in the early 1990s when the franchise development strategy transitioned from an exclusive focus on aspiring entrepreneurs to also recruiting established automotive businesses. Adding a B2B recruitment initiative was a game-changer for Mighty. Multi-store owners of tire dealerships, lube centers and auto dealerships were attracted to the opportunity to “bolt on” an autonomous business unit to not only create a centralized supply division for their own outlets, but to also sell to other automotive professionals in their markets. In addition, select wholesale suppliers of

related automotive products were attracted to the synergies available through converting to or adding a Mighty franchise.

In 2006, Jay Greenfield, whose father was an early McDonald's franchisee, vertically-integrated a Mighty franchise with an Indianapolis, Indiana-based fifty-store group of auto service franchises. "As owners of multiple retail auto service franchises, I feel our leadership group understands what it takes to succeed with a sound business model that is well-supported by a committed franchisor," said Jay. "We've been very pleased with the financial results of our Mighty investment, as well as how it has added efficiencies to benefit our chain of auto service businesses. Like any worthwhile business it's not easy, but because Mighty's leadership team is creative and attentive to the needs of its franchisees, Mighty franchises are positioned to generate strong results by owners who follow the system."

"Propelled by a full-service franchise support platform continuously refined over the decades, the Mighty brand has reached heights unimaginable 50 years ago," said Ken Voelker, Mighty's CEO. He continued, "I'm proud to say that in 2019, we achieved our seventh consecutive year of record System sales. Even more than that, I am extremely proud that we regularly earn high grades for franchisee satisfaction. Working with committed and capable franchise partners to develop "win-win" strategies is an ongoing challenge and opportunity in the ever-changing automotive market. All of us at Mighty look forward to another 50 years of continued success for our franchise owners and in fulfilling our commitment to building the value of the Mighty brand."

About Mighty Distributing System

Mighty is headquartered in Norcross, GA and supports more than 100 U.S. distributors in 44 states as well as five international distributors. The Mighty System features local service, inventory management expertise, and training in conjunction with extensive offerings of OE quality underhood and undercar parts, chemical products, lubricants and shop supplies. The Mighty business model attracts independent repair shops, quick lubes, tire centers and new car dealerships across the nation and abroad. Mighty's unique approach of dealing directly and exclusively with automotive professionals began in 1963.

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