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« Larry Cuneo (left) with the writer.

## Full Speed Ahead

How Larry Cuneo left his day job and helped change an industry with CarSoup **BY STEVEN SCHUSSLER**

**MINNEAPOLIS NATIVE LARRY CUNEO** IS an innovator and entrepreneur. He helped revolutionize the way the automotive industry markets and sells vehicles by creating the site CarSoup.com. But he didn't set out to accomplish that, or anything like it. In fact, Larry had quit his day job in advertising at a newspaper to pursue his dream of becoming a professional golf instructor.

In 1977, Cuneo was working in the advertising department at the *Star Tribune*. He loved golf, and in order to pursue this passion, he decided to leave his job and hit the golf circuit with the goal of working in golf full-time. There was one obstacle. He was married with a new baby.

Luckily, when he told his clients from the newspaper that he was leaving, three of them approached him within a week and asked if they could hire him as a consultant to do graphic design work and create marketing solutions.

It was a perfect fit for Cuneo. He could earn some income and also be able to perfect his golf game. But the clients that had hired him continued to grow, to the point where Cuneo became so busy that he didn't play golf for the next five years.

In 1998, Cuneo's ad agency business was going strong. He had several auto dealers as clients, and he learned that traditional forms of advertising were becoming too expensive for them. Television and radio stations, as well as newspapers, were consolidating,

and the result was that the media was able to charge more for advertising.

In searching for a solution for his clients, Cuneo looked at real estate and saw how homes were sold through the portal MLS.com. He had a revelation that cars could be sold using this same kind of "multiple listing service" model. He figured that if cars were the second-largest purchase after homes, it made sense to design and build the MLS of cars. CarSoup became Cuneo's brainchild, and he poured his heart and soul into building it.

### SELLING THE DREAM

Cuneo says his success with CarSoup was the American Dream. "Thanks to the enormous growth of the World Wide Web in 1988, it became possible to take a small idea and not only compete, but also succeed against the Big Dogs," he says. "I launched CarSoup the very same month as Cars.com, which had \$108 million in initial funding from a consortium of the nation's largest newspaper chains."

Cuneo started CarSoup with about \$8,000.

In the beginning, he relied on his own persistence. "Any time you are trying to do anything futuristic, which CarSoup was back in the '90s, you have to work hard to show others your vision, until it really happens," he says. "It just takes proof of concepts, so you have to hang in there and sell it to enough people to get the bus moving down the hill and go

through all those No's to get to the Yesses. As CarSoup progressed, the No's that turned into Yesses became Absolutelys."

Cuneo would go from one car dealership to another, help them turn their computers on, and show them how to use them. He went into the auto dealer community and convinced a lot of Minnesota dealers to buy stock in CarSoup, asking for a relatively small investment of \$2,000 to \$3,000. All the returns on these initial investments went toward building CarSoup into a national company that is now operating in 50 states. The big return on investment for the dealers was the money they saved in advertising dollars. Today, auto dealers tell Cuneo that "up to a third of their cars" are sold from CarSoup.

"CarSoup was the perfect answer to meet the needs of my agency clients. We had dealers that were spending enormous amounts of money on various forms of advertising and it was a monopoly controlled by the media," he says. CarSoup created a viable alternative that allowed Cuneo and his clients to negotiate with the monopoly.

"What started out as a defensive strategy turned into an offensive game plan. I could see how powerful the web was. A lot of people told me, 'Larry, this is a fad.' But I could see it growing, very much like mobile devices are taking the market by storm right now," he says. "I am glad I stayed the course, because within four years, the CarSoup model became the No. 1 way that Minnesotans bought cars."

When I asked Cuneo what he felt was his biggest challenge, he did not skip a beat when he answered, "The advancing speed of change is a challenge faced by every industry. It used to be that a company could establish a brand and enjoy a 50-year run. Today, the average run for a brand is five years or less. With all the new methods of advertising and promotion, it is essential to keep ahead of the curve. Today, there are iPads in restaurants, and your mobile device will tell you where you are and then give you a coupon for the coffee shop across the street. Businesses have all of this data, but what do you do with it? There are new tools and channels of distribution, and it is essential to be innovative on how you leverage them."

### NO ONE CREATES IN A VACUUM

Cuneo credits many significant people as key ingredients to his success. "One was Rudy Luther, who was both my client and friend. Rudy was an incredible person, and his story should be in the hall of fame," says Cuneo. "He came here from North Dakota and built an empire. He was a major investor in Dairy Queen, he built National Car Rental, and he founded the Luther organization."

Lee Iacocca, an icon in the automotive industry, was another major influence. "In 1998, I submitted my CarSoup business plan to Lee. He told me that he receives about 250 business plans a month, and he has an entire staff who reviews the plans," says



## "The advancing speed of change is a challenge faced by every industry."

Cuneo. "My business plan was chosen, and I was invited to meet with Iacocca in his L.A. office. Lee is fascinating, an incredible guy, and has unbelievable charm and charisma."


Cuneo marches to the beat of his own drummer. He has two children, and when they had children of their own, Cuneo was not ready to be called 'grandpa.' He told his grandchildren that he wanted to be called 'Spike,' and that name stuck. "Much better than being called grandpa," he chuckles.

When asked if he had a "big payday," Cuneo responds, "I don't know that there is a big payday for Larry. Auto advertising is a \$30 billion a year industry, and I have been approached many times about acquisitions but have never considered it. We have a religion that we call 'CarSoup' and none of the offers have ever had the right strategic or cultural match. We have 75 people working here — between my companies Cuneo Advertising and CarSoup — and it is a family to me. I get to do what I like to do, which is focus on what's next in business and golf. That's the payday."

The 'Just Do It' Nike campaign is also Cuneo's advice for entrepreneurs. "It is not about the idea," he says, "it's about the execution."

As for what he might have done differently, "I wish I would have studied management and understood how to motivate people more, because that is so important," he says.

Cuneo feels fortunate to have had a loyal team that's been with him for years, and he believes a company's human resources are its key asset.

"Our business philosophy is about family, which is old-fashioned for a new age company. Business today is run by Wall Street, and it's all analytics and accounting. You have to find the spot where you are keenly aware of finances, but you are also a human being and care about your people. Frankly, that actually makes the analytics better," he says. "The art of business is human entrepreneurship, ideas, solving problems, and making people's lives better. It's not an accounting practice, but a philosophy and a way of thinking about things." 



« Steven Schussler is chairman and CEO of Schussler Creative, Inc. Creator of Rainforest Cafe and several other restaurants, Schussler is also a consultant, branding expert, and author of "It's a Jungle in There: Inspiring Lessons, Hard-won Insights and Other Acts of Entrepreneurial Daring." To learn more, visit [www.schusslercreative.com](http://www.schusslercreative.com).



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