

ShopTalk

AUGUST 2018



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UPCOMING CLASSES

August

- 1, 2, 3 For Profit Shop Owners Course Part 1 - Aligning Your Shop
- 1, 2, 3 Collision Owners Course Part 1 - Keys to a Successful Collision Repair Business
- 9, 10 Service Advisor Part 1 - The Role of the Service Advisor
- 13, 14 Collision Repair Estimating and Sales Course Part 1
- 20, 21, 22 Shop Owners Course Part 5 - Succession Planning
- 20, 21, 22 Collision Owners Course Part 5 - Succession Planning
- 23, 24 Service Advisor Course Part 2 - ATI's 7 Step Process
- 30, 31 Service Advisor Advanced Sales

September

- 5, 6, 7 Shop Owners Course Part 1 - Aligning Your Shop For Profit
- 5, 6, 7 Collision Owners Course Part 1 - Keys to a Successful Collision Repair Business
- 12, 13, 14 Shop Owner Course Part 3 - A.B.M. Always Be Marketing
- 12, 13, 14 Collision Owners Course Part 3 - A.B.M. Always Be Marketing
- 17, 18 Shop Owner Course Part 4 - Staffing and Hiring
- 17, 18 Collision Owners Course Part 4 - Staffing and Hiring
- 17, 18 Collision Repair Estimating and Sales Course Part 2
- 19, 20, 21 Shop Owners Course Part 2 - Advanced Management and Leadership
- 19, 20, 21 Collision Owners Course Part 2 - Advanced Management and Leadership
- 24, 25 Service Advisor Part 1 - The Role of the Service Advisor

October

- 3, 4, 5 Shop Owners Course Part 1 - Aligning Your Shop For Profit
- 3, 4, 5 Collision Owners Course Part 1 - Keys to a Successful Collision Repair Business
- 4, 5 California Service Advisor Course Part 1 - The Role of the Service Advisor
- 8, 9 Service Advisor Course Part 2 - ATI's 7 Step Process
- 10, 11, 12 Shop Owner Course Part 3 - A.B.M. Always Be Marketing
- 10, 11, 12 Collision Owners Course Part 3 - A.B.M. Always Be Marketing
- 11, 12 Service Manager Course
- 15, 16 Service Advisor Advanced Sales
- 17, 18, 19 Shop Owners Course Part 5 - Succession Planning
- 17, 18, 19 Collision Owners Course Part 5 - Succession Planning
- 22, 23 Service Advisor Part 1 - The Role of the Service Advisor

November

- 5, 6 Service Advisor Course Part 2 - ATI's 7 Step Process
- 7, 8, 9 Shop Owners Course Part 1 - Aligning Your Shop For Profit
- 7, 8, 9 Collision Owners Course Part 1 - Keys to a Successful Collision Repair Business
- 12, 13 Service Advisor Advanced Sales
- 14, 15, 16 Shop Owner Course Part 3 - A.B.M. Always Be Marketing
- 14, 15, 16 Collision Owners Course Part 3 - A.B.M. Always Be Marketing
- 19, 20 Collision Repair Estimating and Sales Course Part 1
- 19, 20 Service Advisor Part 1 - The Role of the Service Advisor
- 26, 27 Shop Owner Course Part 4 - Staffing and Hiring
- 26, 27 Collision Owners Course Part 4 - Staffing and Hiring

What can You Do to Keep "A" Players From Leaving You?

Eric M. Twiggs, ATI Coach

"The deepest craving of human nature is the need to be appreciated." -William James

What can you do to keep "A" players from leaving you? As I ponder this question, I'm reminded of an experience I had back in December here at ATI. Our office is in a suburb of Baltimore, MD. **Thus, my fellow coaches and colleagues root for the Baltimore Ravens football team.**

Our office could be considered "Ravens Nation," because of all the cups, computers, and cubicles that are loaded with the team's paraphernalia.

Everyone supports the local team. Everyone except for me. I happen to be a Washington Redskins fan. As you prepare your jokes, please know that my choice of football teams is a topic for another day!

One morning, right before the Christmas holiday, I noticed that my co-workers each had a gift-wrapped package from upper management on their desk. Inside the containers were calendars for the 2018 year.

Now these weren't your ordinary calendars. They had calendars with the Baltimore Ravens helmets and logos on the front. There was a gift on my desk as well.

As I opened it, I was shocked to see that mine was different from the others. I received a calendar as a Christmas gift. **But mine was a Washington Redskins calendar.** Later, I found out that one of my fellow coaches who is an avid hunter, received a calendar with a hunting rifle on it! So, what does this have to do with you keeping "A" players?

Here's the big takeaway: **Recognition that is personal, is also memorable.** Someone took the time to consider my personal interests, and thus, I'm still talking about it eight months later!

Have you taken the time to consider the personal interests of your people? Keep reading to learn two strategies to keep your "A" players from leaving you.

Recognize the Power of Vision

Back in June of last year, I was speaking with a shop owner named "Trish." She mentioned that she had a goal for her shop to be recognized as the ATI Shop of the Year at the next SuperConference. When I told her that I planned to attend, she made the following statement: "I will see you **on the victory stage.**" She had a vision of where she wanted to be.

Nine months later, Trish Cleveland, and her husband Eddie, owners of **Rob'e Mans Auto**, were recognized **on the victory stage** as the **Shop of the Year** at the SuperConference! This encounter confirmed the fact

that you must **recognize the power of vision.** In other words, **if you can view it, you can do it!**

What is the vision that your employees have for themselves? Getting them to do a vision board is a great way to find out. If your people have visibility to their personal goals, it increases the likelihood of

achievement. I recommend having them use one of the free vision board apps that can be downloaded to a smart phone or tablet.

They can download and label pictures that represent what they want out of life. Their vision boards will give you insight into their personal interests. **You will then be positioned to tailor your recognition program according to what THEY want, instead of what you always do.**

Review Their Vision Boards

To show that you **recognize the power of vision**, you conducted a team meeting, telling everyone to do a vision board. The following week, you had a second meeting and confirmed that everyone did their vision board like you asked. Your job is done, and you can check that box, right? Not so fast!

Following up with your people on their progress is the step that's often missed. According to a study that was reported in *Forbes Magazine*, people who merely thought about their goals and how to achieve them succeeded less than 50 percent of the time. **Those who communicated regular progress updates to another person, reported succeeding 75 percent of the time.** In other words, **your people are more likely to achieve their rewards, if you review their vision boards.**

The late Zig Ziglar said best when he said, **"You can get everything in life you want if you will just help enough other people get what they want."** Want to keep your great general manager? Keep asking her how she's doing with her goal to buy that home. Want your best technician to stay? Continue to ask him about the muscle car he has pictured on his poster.

Imagine if you worked for someone who checked in with you every 30 days and asked you about your goals. Then, because of their follow-up, you achieved a major life accomplishment that was on your vision board. How likely would you be to leave them to work for their competitor? Your employees would feel the same way about you if you helped them.

SUMMARY

So, there you have it. Recognizing the power of vision and reviewing their vision boards can keep your "A" players from leaving you. Hopefully, the upper management of my favorite football team has pictures of the end zone and of the Super Bowl on their vision boards!

Looking to motivate your "A" players, but don't know where to start? Email etwiggs@autotraining.net to receive the 26 Reasons That People Buy Anything. (Including your message.)



Fear is an all-encompassing thing. It grips us in ways that we do not even know we show. Animals sense it easily as do the vast majority of people. It is in the way we speak, our voice inflection, our wording, it is in our eyes and in our body language. We do not mean to show it or speak it but we do.

The fear of raising prices is a very real and valid concern in our industry. I have heard owners and advisors rail against doing it, and I have heard them blame raised prices for lost customers. (I would bet that the lack of confidence in new pricing during presentations is more to blame than the prices themselves.) When I say it is valid, I mean to say it requires serious thought. What I don't mean is that you should fear price increases if your prices are not reflective of the service, customer experience and level of experience and expertise of your employees.

What too many of us don't consider is the cost of acquiring and keeping exceptional employees and maintaining that level of expertise with training and updates to equipment. We undervalue the level of service and customer experience we provide. I could go into countless examples outside our industry; but an easy enough one is a steak dinner. It's cheaper to buy and make (parts house and dealer prices), a little more to get it at the Outback (the big chains and also-rans), but man do you pay for it at Ruth's Chris Steak House. It is the level of service, the experience of the staff and the finished product that you can be sure is one of the best steak dinners you can buy.

If you are not offering a "Ruth's Chris" experience to your customers, why not? What would it take to be that automotive service provider in your area? Maybe it's offering Uber rides to your customer if you do not have a shuttle. Maybe it's replacing worn furniture in your waiting room. Adding a Keurig. Maybe it's the customer service approach and commitment. There are many inexpensive things owners can do to increase the value of the service and improve the customer experience. Consider improvements when in doubt of price increases.

The truth of the matter is that the fear of raising prices really comes down to the bogeyman in our heads. If we are confident in the service and customer experience we provide and the quality of our technicians, then we should be confident in raising our prices to match. We are not selling coffee, which is bought every day, or even haircuts which are done monthly or bimonthly. We are selling maintenance and repairs that are purchased with much less frequency and some only once in the time they may own a given vehicle. What are we afraid of being compared to?



The ATI Way

Fundamental #3: Check the ego at the door

Our own egos and personal agendas must never get in the way of doing what's best for ATI. Don't take challenge personally or defensively. Being concerned with who gets credit, who looks good, or who looks bad is counterproductive. Make sure every decision is based solely on what will best advance ATI's goals.

—From Mike Bennett, ATI Coach



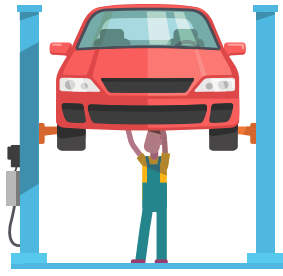
As I considered this fundamental my initial take was "duh, this is a no-brainer." The more I thought about it, though, I realized that on the surface the statement makes sense, but honestly, I think if correctly applied EGO is a very powerful tool and element of success.

The Oxford Dictionary defines **EGO** as *a person's sense of self-esteem or self-importance*. It is true that EGO can be very destructive or disruptive if it manifests as a blind drive toward self-promotion. Putting your own goals foremost and striving to prove your worth without consideration of impact or value to others seems to me to be counter to everything ATI promises. *Check the ego at the door*. The more I considered the statement I began to understand it really is a fine balance: EGO can be considered akin to a gun or a super-power. It can be used for good or for evil. On its own EGO is rather benign. Just like a gun, it is how it is used and how it manifests that really determines impact, good OR bad. Like a gun, EGO is often pigeonholed as destructive and therefore gets a bad rap. I believe EGO is often what drives me. EGO and passion are the perfect motivators for serving our members and the greater good of our associates. I personally feel that EGO is much of what drives ATI's success as a company (as well as the successes of our members).

I found a great article on fastcompany.com relating to *Why Leaders Have a Strong Ego (and that's a good thing!)* [paraphrased]. *Yes, you must serve and support and help and encourage. To do that, you must be compassionate and humble. However, before you can do any of those things, you need to develop confidence in yourself—not arrogance, but well-justified faith in your own abilities (EGO). That takes discovering how you—uniquely—can support both yourself and other people to go through the same process, while also demonstrating to others how to make their own way. Isn't that what leadership is all about? Experts who've studied how the most effective work cultures develop claim that a truly purpose-driven company is made up of people who see what the company does as supporting things they already personally believe in. Without that alignment, it all falls apart.*

If self-promotion and arrogance is what drives you, then yes, by all means *Check the EGO at the door*. If, however, your EGO is a vessel for strength, power, commitment and confidence to serve and promote the greater good, then you just might be cut out to survive and thrive in this family we call ATI.

We tend to spend a lot of time contemplating what to do next to improve our businesses without looking at what is happening now. What can we do to make things move more efficiently or how can we improve productivity capitalizing on every potential business possibility we encounter daily? Have we identified every opportunity on every job that we have within the store? Have our people completed everything that they have the potential of completing, has every task been completed properly? As we look at our daily activities around the store we leave about



30 percent of our time, effort and potential on the table. If you think about that further, using a 10 car per week store, that could be an additional three closed ROs per week. You can do the math beyond that, but three cars would be a nice addition to the billed labor hours and overall profitability for most stores.

Drilling down a bit further into this efficiency thought process, what if you were able to improve your estimating skills by 30 percent? For an average RO of 19 hours, that would be an improvement of 5.7 hours. There are so many opportunities in electronics, vehicle construction, fasteners, even pricing your materials properly. Are we really looking at all aspects of the repair process to make sure that each opportunity is identified and then documented so that we can get paid for it?

Let's look at another area where improvement can be incrementally achieved with additional focus. Tech production. How efficiently are your technicians operating? Do you measure? Do you know the formula? What are the areas in which you might be able to examine, measure and change processes that would help them to be more productive? What should the target for productivity be? How do you identify what each technician should be producing and do you share your business expectations, production expectations with them? Do you tell them what their productivity means to the business?

Organizing the entire repair facility is extremely important in making sure that everything that can be done to improve customer service, efficiency, pricing and productivity has been done. This starts with properly identifying all the tasks that need to be completed and who is accountable for their completion. The shop should be broken into segments to make the analysis and the task identification easier to compile into lists. As this series of articles progresses, each of these will be explained in detail. A sample of a particular area will be provided to illustrate how the activities should be followed and how the resulting documents should flow.

The pre-production area is the first area that will be reviewed for this process. This is an area that has conflict "built in," for which resolution has to be quick and well documented so that clear decisions are clearly justifiable. To better define what this means, the estimating or blueprinting processes are typically where "friction" points will exist because of third party payers. It can be caused by pricing, skill and knowledge gaps, for a variety of reasons resolution has to occur. Let's assume for the purposes of this article that all of the typical claim information, documentation and contact steps have been made and the vehicle is at the store with a pay assignment or a clear contract of repair with the customer.

What steps are required to take place to get the vehicle into production?

1. The vehicle has to be scheduled in for the estimate or if not mobile, brought into the bay for disassembly
2. Repair authorizations, data acquisition authorizations need to be signed by the vehicle owner and in the hard file
3. All of the options must be properly identified to establish the "estimating" requirements by vehicle construction and design including the testing protocols necessary to establish pre- and post-accident safety system readiness
4. A data search must be conducted to identify any particular repair scenarios that must be followed specific to the platform requirements, e.g., steels, plastics, other build data
5. The condition of the vehicle has to be established to ensure that proper measures are taken to restore it to or make it better than its prior condition in accordance with the payer's obligation to the vehicle owner
6. All electronic pre-sets must be saved either electronically or manually to ensure that the owner retains their pre-sets

7. Parts requirements agreed to by the vehicle owner must be initiated and in the hard file relative to aftermarket or other non-OEM parts
8. The estimator/blueprinter has to cycle the ignition whenever possible to conduct the "seven-second burn" to check for dashboard-indicated fault codes for vehicle safety systems. This is in addition to the diagnostic link tests which check for system continuity
9. Begin disassembly processes
10. Identify parts that are to be saved and those that will be replaced
11. Establish repair times for the damaged repairable nonstructural areas of the vehicle
12. Establish repair times for repairable structural areas of the vehicle
13. Determine removal and replacement requirements for glass, including adequate dry/cure times for adhesives used in replacement required by FMVSS
14. Identify refinish requirements for undamaged adjacent panels where applicable
15. Identify undamaged part removal and replacement requirements to accommodate blending procedures as necessary
16. Determine the length of time necessary to obtain parts
17. Determine the length of time necessary for repairs (this is start of repair to conclusion of repair)
18. Contact vendor(s) to place parts order(s)
19. Receive parts, validate part order list against parts received to verify part numbers and part types
20. Mirror match parts against parts that have been identified for replacement
21. Create second parts order for corrections when necessary, including accounting requirements
22. Identify billable hours for vehicle and day/date for production processing
23. Place vehicle into production rotation
24. During production create and supplement billing when needed, also accompanying parts orders or labor add orders
25. Contact customer and insurer, as needed, to validate supplemental billing for review, verification or approval
26. Update file documentation

All of the individual tasks associated with getting the car into production may or may not have been listed above. There may be subset tasks that will be identified as well. This will depend on the level of detail that each individual store owner might place on particular tasks associated with a process. But as can be seen in this example, the level of detail is important in that the store owner will be requiring someone to complete these tasks and holding them accountable for doing so. Going back to the earlier point about potential "friction" caused within a particular job assignment, estimating and blueprinting have the most areas where the decisions can be subjective in some cases. However, subjectivity can be reduced significantly with documentation. Some in the industry say that the strategy should be that we need to negotiate in every case. That is not a strategy; that would be a task. The strategy would be to build consensus through properly preparing, presenting and discussing the necessary documentation each time an estimate or blueprint is created. The more thorough and complete the documentation, the narrower the focus of the discussion becomes. This process significantly reduces that element of friction through information.



As we develop the processes and procedures for the store, the long-term strategy should always be the focus of the tasks associated with the planning and execution for all activities necessary for repairing the vehicle. This allows the store owner to build a more predictive production model which helps them be able to forecast what their daily, weekly and monthly performance metrics should be. This is where we begin to take the requirements and form them into our standard operating procedures (SOPs) that support the performance metrics.

The task lists are the starting point. Job descriptions are then created that tell the employees exactly what their roles are in the execution of the tasks and they begin to get an indication of time frames and performance requirements, which are more clearly defined in the SOP and accountability measurements. The SOP then provides the detailed, step-by-step instructions in the execution of the tasks.



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Some key takeaways would be:

1. Have all of the required steps, tasks been identified for the process that is being built?
2. Does the job description being created for this process provide the detail necessary for the employee to be able to complete the process as expected?
3. If not, what training will be required to expand the employee's skill set so that their competency is improved to the necessary level of performance?
4. Should that additional training be internal or external and what is the cost and potential return on investment (ROI) for the training activity?
5. Do the standard operating procedures clearly define all steps, performance requirements and time frames necessary to meet production requirements?
6. If followed, will the task lists, job descriptions and SOPs provide a more efficient production flow resulting in improved production efficiency and profitability?
7. If not, what additional steps need to be considered to make the SOP adequate for the production needs?
8. Are the steps, if followed, adequate for the staff to perform to their individual performance expectations?
9. What review process has been established so that the process can be audited for compliance and corrective action as needed?

The nine takeaways will be looked at individually. Pro and Con lists can be developed which will help in identifying if the takeaway requirements have been met, and if not what the next steps should be. There will also be additional opportunities to look at other processes within the store to help identify the steps necessary for building a production compliance model for them individually using the same steps illustrated in this first installment.