



PROFIT MATTERS

HOW DO YOUR NUMBERS LINE UP? | BY CHRIS "CHUBBY" FREDERICK

Survive, and Attain Success, in a Bad Economy

This month I wanted you to hear from our head instructor, Matt Winslow, who has been in the trenches giving ATI one-day workshops across the U.S. and Canada.

Over the last year, hundreds of owners have asked, "Can we survive the bad economy?" I say yes, and not only just survive, but flourish and reach your dreams and goals over the next five years. Here are Winslow's suggestions to help you implement change in 2009.

The bad news

We all know 2008 was a tough year. Banks failed. The stock market dropped to half its value. Retirement funds evaporated. Home foreclosures skyrocketed. Oil and fuel costs spiraled to an all time high. Consumer spending dropped to an all time low, and many shops had the worst September on record.

Our nation was divided in a hard fought election year. Daily news became more negative, talking about "The World's economy on the brink of collapse." Economists predicted the bottom wouldn't be until 2010. Fear gripped the hearts of consumers and many shop owners

wondered, "How can I survive the recession?"

Our nation is certainly going to face difficult times for the next few years, but take heart, there is actually good news for shop owners.

The good news

More cars came out of warranty in 2006 than in any time in history. Consumers can't buy new ones because they're too upside down on the loans on their old cars. Repairs, which have declined since 2002, should increase for the next five years.

Economists predict 1,500 to 2,000 car dealers will go out of business in the next 18 months. This is bad news for car dealers, but good news for independents. More techs and service advisors are looking for a job than ever before. It's a great time to find qualified people. One owner I met at a recent workshop said he put an ad on Craig's List for a tech the day before

Thanksgiving and had more than 74 responses in less than 48 hours.

Repair shop owners have a great opportunity to increase their businesses over the next five years, but one thing is for sure: it won't be business as usual!

Surviving and prospering in the years ahead

That means 2009 must be a year of change. Many shops have struggled to be profitable in this bad economy, but the truth is, many were struggling even when the economy was great. Too many owners spend their time working in their business trying to make it go, instead of working on their business to determine where they need to go. Activity is a poor substitute for effectiveness, and with the tough economic outlook for the foreseeable future, you can't afford to make a lot of mistakes.

Your customers, your employees and your business need you to be focused more than ever before. Now is the time to rise to excellence. Grow and become all you can be! Since the beginning of the year is a great time to implement some new resolutions, here are a few sugges-

QUESTION OF THE MONTH

QUESTION:

How can I deal with all the stress while I'm making the changes in my business?

Even though my nickname is Chubby, I exercise 45 minutes every day on an elliptical machine to get my heart rate up and more oxygen in my blood. It gives me more energy and reduces stress at the same time. I share this every month with our new owners starting our program so they can act at peak performance when making all the changes in their business. Some of my baby boomers actually try it and are shocked how good they feel after they exercise.

*Do you have a question for Chubby?
E-mail him at cfr frederick@autotraining.net.*

tions to get you in the front of the race.

TAKE CARE OF YOURSELF. Commit to spend time resting and recharging. Working 12 to 16 hours a day is a one-way ticket to burnout. To feed your business you must feed yourself. Attend workshops. Get new ideas. Develop relationships with other shop owners. Get around owners with a positive, “can do” attitude. Their excitement will reignite your passion and make your business fun again. Talking “shop” with other owners is often more enjoyable and certainly more productive than complaining to your loved ones about your day during dinner.

TAKE TIME OFF TO GO FISHING OR RECONNECT WITH YOUR HOBBIES. Your brain and body need rest and recovery. Having fun away from the shop can be just the ticket to release the gridlock in your mind and help you find the

solutions to your most vexing problems.

COMMIT TO SPENDING QUALITY TIME WITH FAMILY. Your family needs your undivided attention. Your business should give you the freedom to spend more time with your loved ones, not cost you your relationship with them. Take time to plan your week. Try and get home at a decent hour. Love your spouse. Hug your kids. Talk about what’s going on in their lives. They grow up fast. Treasure the time you have; it’s gone in the blink of an eye.

SCHEDULE AT LEAST ONE DAY A WEEK TO TURN OFF YOUR BUSINESS AND HAVE FUN WITH YOUR FAMILY. Put the shop out of your mind. You’ll come back to work with new ideas and energy.

COMMIT TO A FAMILY VACATION. I meet hundreds of owners who haven’t taken a vacation with family in years. You and they deserve better. Plan a vacation. Put the systems and infrastructure in place so you can take at least a week off, turn off your cell phone, go someplace fun and build some precious memories.

RECONNECT WITH FRIENDS OR YOUR CHURCH. At the end of their lives, most people discover their connection with other people is the only thing that matters.

MAKE YOUR SHOP A GREAT PLACE TO WORK.

Get to know your employees. Discover their dreams and goals. Help them grow. Empower them. Reward them with praise and recognition. You’ll gain their loyalty and trust, and they’ll free you to spend more time doing the things you enjoy and do well.

MAKE YOUR SHOP A GREAT PLACE TO DO BUSINESS.

Take pride in your people. Smile. Have fun. Make sure your employees are having

fun. Joy is contagious. Your customer will feel your energy.

Take pride in your facility. Keep it clean and organized. You’ll increase productivity, reduce loss and impress your customer.


FIND NEW WAYS TO DELIGHT YOUR CUSTOMER. Become customer focused and value driven. They’ll reward you with their loyalty and business.

RUN A TIGHT SHIP. There’s little room for excess and waste. Control spending. Do a return on investment analysis before tying up precious capital on equipment purchases. Get control of your parts inventory. Send your cores back for credit. And don’t forget your labor inventory. Be sure you get value for every payroll dollar you spend. Encourage your people to find new ways to increase efficiency and reward them publicly.

Finally, build your road map to success.

DETERMINE WHERE YOU WANT TO GO AND WHERE YOU ARE NOW.

Identify the key processes you need to change. Build a timeline with specific steps and milestones to get you there. Plan weekly to maximize your effectiveness while reducing your wasted time. Meet with a coach or mentor weekly to review your progress and encourage them to hold you accountable. Your progress will excite you and give you a great sense of accomplishment and purpose. You’ll get where you want to be quicker and save a boatload of money in the process.

Can you survive in a bad economy? Yes, but why just survive? Decide to be successful. Decide to do whatever it takes to win. Rise up. Get excited. Get focused. Get ready. The next five years are a great time to grow, achieve, gain wealth and have fun. 

Chris “Chubby” Frederick is CEO and president of the Automotive Training Institute. He is thankful for assistance from George Zeeks and Brian Canning in preparing this monthly column. Contact Chubby at cfrederick@autotraining.net.

