

WHERE DO YOU LAND ON THE AUTO SHOP PYRAMID?

SEEING HOW FAR YOU'VE COME CAN HELP YOU FINISH THE CLIMB.

BY CHRIS "CHUBBY" FREDERICK | CONTRIBUTOR

EVERYONE has to start somewhere, and not everyone starts their first shop with all the bells and whistles. Let's face it: You can't have the "Garage Mahal" without the customer base to support it, yet most of us dream about having the top shop in our market. Let's listen to Head Coach George Zeeks explain the building blocks you need to become a top shop.

New shop owners have a whole host of things to think or worry about. They simply don't know what they don't know. They're out there overwhelmed with pressure, and it's easy to see why.

When you're caught in the day-to-day processes of running your shop, it can be very difficult to know exactly where to focus your energy.

Do I invest in equipment so I can perform more services? Should I hire more staff, or just better train the employees I already have? Will I ever make more money or have time to spend with my family and hobbies?

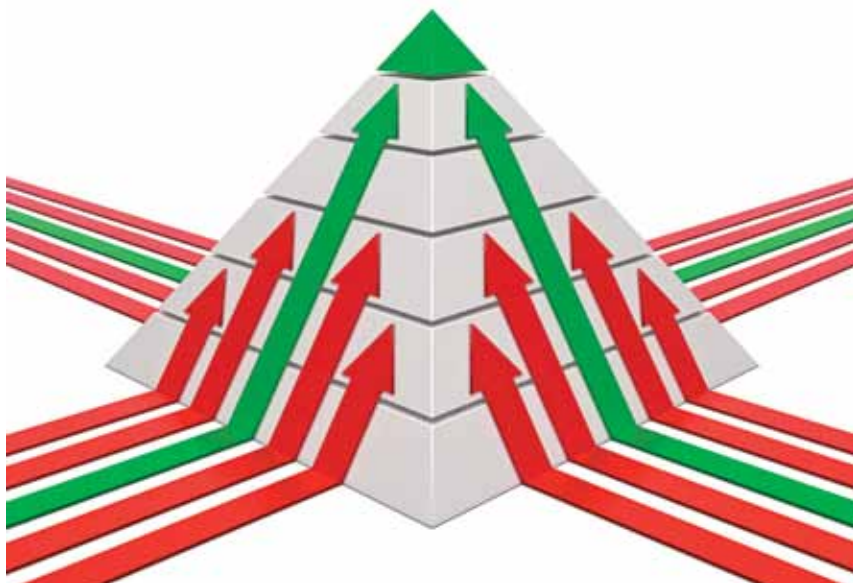
Instead of getting yourself bogged down in the smaller details, think of your shop as a pyramid. While maybe you never have seen a pyramid firsthand, you know how they look: a triangular shape with a wide base, ascending to

a point high in the sky in the center. Imagine your shop as a pyramid, with the bottom being the most basic necessities — a garage, a staff and the equipment to perform services — and the top being everything you could ever hope and dream for your business. At the top are more money, more free time and the pride of being an industry leader.

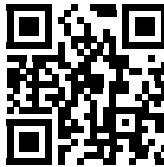
Starter Shop

Think back to when you first started your business. You had a dream, a small shop full of basic equipment and a staff consisting of (hopefully) hardworking jacks-of-all-trades. The shop itself was minimally functional — with little to no organization (beyond what was in the head of the owner), no standard operating procedures to speak of and you, as the owner, were required to be there for the shop to even function.

Owners of these shops simply are trying to make it through the day, both managing the shop and acting as a main part of production. To get past this stage, you have to take responsibility as the owner



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to provide your shop with the tools to succeed. At this point, the owner has to change. This means properly training your staff (or building one to begin with) and upgrading your equipment.

One of the biggest problems is when you hire people, you need more customers to feed the new staff and still be able to make the same profit that you're used to. The owner of the starter shop must align their shop for profit before they can truly transform their business. This is the base of the pyramid. Your shelter, your staff, your equipment and yourself are all you have to start with.

Semi-Functioning Shop

Now you've got a basic idea of how to run a shop beyond just turning wrenches. Your equipment is decent, though not always up-to-date, and your technicians generally have clearly defined roles to fill. Maybe you've even begun some basic marketing strategies to increase your car count.

This is the second level. You've made improvements to your foundations — your equipment, staff and yourself — and have begun exploring some new ventures, like marketing. The progress is exhilarating, but things are not as they should be. You're still the major contributor to production in the shop, and you need to be there, because things definitely suffer when you're not around. You find yourself wishing you could focus on the bigger picture of the business rather than the daily grind. Your focus is doing the best you can this week.

The good news is that transcending the day-to-day is entirely possible. You'll need to push your technicians to be the best they can be by developing their skills individually. A powerful, productive staff will lay the groundwork for the next level of the pyramid.

Functioning Shop

At this point, your shop is just fine. The equipment is good, the technicians are trained and skilled and you're setting monthly goals for profits. The best part is that while you should be in the shop, you can afford to regularly take time out to focus on the big picture.

Many owners feel comfortable when their business hits this level, perhaps even satisfied. But the best owners know there's always room for improvement.

The key at this step is to develop your standard operating procedures. You want to perfect these and follow them to the letter for reproducing the same result every time, reducing callbacks and increasing productivity in your shop. This keeps the workload off you so you can concentrate on the things that will take you to the next level. Many shops reach this point but never move past it.

Efficient Shop

You're almost at the top now! The efficient shop is probably what you've always dreamed of. You've got the best equipment, your technicians are now beginning to help each other and they follow the documented procedures that make your shop the best in town. Your role as an owner has shifted from being inside the business to providing direction and guidance to your employees.

This is where your leadership skills are sorely tested. You've been doing OK so far, but you have to take a serious step back in order to keep everything under control. You no longer can carry the weight of the shop on your shoulders and you have to trust your staff to do the right thing. Have you done a good job of hiring the right people who share your vision and values? If not, then you simply can't go farther.



Now you're looking at the entire year for profits, and you've established a long-term marketing plan to keep car count consistent. Many shop owners stop here without ever "completing" the pyramid. The next step, if you're daring enough to take it, is to continue to set goals for your shop. You've got clear ideas of what you want to accomplish each day, week, month and year. If you can consistently hit these goals, then you have yourself a top shop.

Top Shop

The top shop has perfected the art of automotive repair. The shop, in one word, is autonomous. Technicians help each other, your manager is fully empowered and everyone finds themselves accountable for their own production and success. Excellence is the standard by which your staff measures themselves and their peers. Your shop is able to thrive with or without you, and now your role is to provide a common goal and vision for your shop.

This is the only way you can make it to this level. The marketing plan has developed into a year-long marketing campaign designed to tackle those difficult times, and you've put together a comprehensive plan charting a course for your business for five years.

To see where your business stands, visit www.ationlinetraining.com/2013-3 for a copy of Chubby's Top Shop Pyramid Checklist and see how you stack up. **ZZ**



Chris "Chubby" Frederick is the CEO and founder of ATI, the Automotive Training Institute, founded in 1974. ATI's 99 associates train and coach more than 1,150 shops every week across North America to drive profits and dreams home to their families. They love helping shop owners who have had the same struggle as many of them have had and who are looking for the same answers — and in some cases looking for a lifeline. This month's article was written with the help of Head Coach George Zeeks.

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Chris "Chubby" Frederick, CEO