

# ATI Shoptalk



Issue 3

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## Upcoming Courses:

### Shop Owners

May 27-29  
June 3-5  
June 17-19  
June 29-30

### Service Managers

June 1-2  
June 8-9  
June 25-26

### Advanced Shop Owners

June 11-12

### Alumni Class

June 15-16



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## The 6 Ways To Stay A Top Shop

By Chris Frederick



There are many shops in North America that are nominated for top shop awards & many that go unmentioned but certainly not unnoticed. I define a top shop as one in which it has become famous in the area by quality, integrity, relationships and differentiation from their competitors. Their sales would depend on the size of the market they are located in and could range from \$500,000 to \$3,000,000 annually. The challenge with being the best is that everyone wants to be the best so it can be tough to stay on top. I have had the pleasure of working with lots of the best of the best shop owners and here is a list of basics to focus on so you can stay the best.

### Refocus on Relationships

The very best shops not only have service advisors that can sell but they are great at building relationships. Front line turnover can destroy a top shop's reputation as can an advisor only interested in the all mighty dollar. Remembering customer's names, family members and pets are the mark of a top shop that does not need tons of money spent on acquisition advertising. Uncovering commonalities between the customer and the

service advisor is another strength in top shop front lines. Making sure the techs take the time to complete a detailed courtesy check so we don't leave mom stranded because she didn't know what she didn't know. Then, setting their next appointment and reminding them constantly on when and how to maintain their car. Remember, they don't care how much you know until they know how much you care.



### Profit Matters

I believe profits are much more important than gross sales. I have worked with 2 and 3 million dollar shops that are not very profitable when we began the re-engineering journey. A top shop should be netting 20%-30% regardless of sales if the financial model is correct for the staffing model. Many former top shops slip because they have to spend too much money to keep the sales up and the shop fed because their marketing or staff begins slipping backwards. It is very common for businesses as they mature to lose bottom line profit because we just keep adding overhead to stay the best. The answer is to re-engineer the financial, business, staffing and advertising models to make money

like they use to do. You won't stay a top shop very long without bottom line profit. If you want the best employees you have to have the best benefits. If you want the best efficiency you need the best management money can buy. If you want state of the art equipment and facilities it takes money. More important, you need plenty of cash in savings so you don't exhibit stress to your associates and you make them feel secure. Remember, your people don't usually leave for the money; it's your management and security that are most important today.

### Refocus on Training

Typically the top shops that stay top shops are students of the business. The entire team is constantly learning, especially the owner. When you stop learning, you stop growing. The business is changing so rapidly that without the leader continuing to grow, the shop will begin to slip regardless of how great they might have been in the market. Selling is not like riding a bicycle and without annual tune ups on relationship based sales skills your front line will slip as well. It goes without saying the technicians need constant training to stay a top shop. Many top shops specialize in a few brands but unless the market can support it, stabilizing car count every day in the sweet spot of efficiency can be more difficult than a general service top shop.

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### Focus on Marketing

Larger top shops usually have owners that work on their business and not in it. Working on a 12 month retention and acquisition calendar is a very important weekly effort by top owners. They not only go to every advertising seminar to learn what's hot & what's not, but they work on their brand marketing. Becoming a household name in your community takes time and energy. Being active in and around your town requires time and commitment that owners who work in operations have difficulty doing unless they have no home life according to the family, not them.

### Focus on LEADERSHIP

Top shop owners are really focused on helping their people get what they want in life. They are well liked & their people feel secure being a part of their family. The best of the best usually have mentors that help guide their behavior and give them constant feedback on their leadership skills. The best of the best shops operate as well with the owner on or off the premises. This is the real test of great leadership. The team's beliefs are matched to the owner so their behavior follows their beliefs, not necessarily the owner.

### Refocus on Your People

If you feel you are slipping from top shop status, relearn your people by asking them to share their business and personal goals. Have them cut and paste pictures on a poster so you can see them and then let them take it home so they see them every day. The biggest difference between your people's achievements in life is the size of their goals. Big goals equal big motivation. So your tech wants to go in business for himself some day; he may make a great partner with you in your next shop. Remember, the more people you help in your life the more your life will grow. 

# Which Is It? Head, Heart, Hands?

By Mike Haley



How many times has an employee concern presented itself and you were not sure how to begin?

What obstacle did you as the manager need to remove to help the employee overcome the concern? Today a manager wears many hats and he needs to know which hat to put on when dealing with an employee concern. Over the years, I have come to learn you can put employees concerns into one of three categories; head, heart or hands.


A head issue is defined as a knowledge obstacle. The person does not have the knowledge, which caused a concern for him or her. We ask our employees to perform duties and tasks where they have not received the proper training or have the proper background to be successful. Head problems involve providing the employee the knowledge and training to overcome their obstacle. If your employee is motivated, they will eagerly take the information and training which will benefit the whole shop. You have an employee that feels they work for a manager that cares about their development and success. The other benefit is that you gain another person that is capable of performing a duty or task which makes your shop more efficient and productive.

A hand issue is defined as a tool obstacle. The employee does not have the proper tool or process to be successful which causes their frustration. We ask more from our employees than ever before but sometimes don't take the time to make sure the proper tools and processes are in place so the employee is successful. This can be as

easy as installing a mirror in the bay for checking lights or as complicated as coming up with a new staffing and work flow procedure. This obstacle should be addressed and followed up with the employee. We must show the employee we value their opinion and you will provide feedback. The result could be shared with the entire team to promote engaging employees. Make sure you respond to the employee with a resolution and in the time frame you set. Hand issues are usually in our DNA make-up since most of us grew up in the business & know the frustration of not having the right tool or process.

A heart issue is the desire or wanting to do a task or process. In all my years, this is the most challenging of the three and the most frustrating for managers. When you have identified that the employee's concern is not a lack of knowledge (head) or a need for a tool or process (hand), we must then look at the heart. This is typically caused by a belief that the person has determined is fact. This will test your managing skills of changing a person's beliefs and understandings of what you are trying to accomplish and the employee's role. As managers, once we've identified it is not a head or hand issue, we then have a choice. Manage the issue and sit down with the person or ignore it. I have seen a lot of managers take the path of least resistance and choose to ignore it. They rationalize that the process or task is not important enough to cause a conflict or create an attitude. These events continue until emotions and frustrations come to a breaking point. So what is your responsibility as a manager with an employee with a heart obstacle? Your responsibility is the same as any other conflict

resolution, let the employee share his concern in a non-threatening environment, and make sure you talk the concern back to the associate so they know you understand. At this time, you try to identify where a belief or understanding of the subject is not correct. Take the time to explain the "Big Picture" of what you are trying to accomplish and why it is good for the car, customer and the company. Provide information, facts, and supporting data to assist the employee in understanding and wanting to change their belief. What we are looking for is the employee's willingness to change and adapt. As a manager, you are constantly monitoring this, or as I like to say, taking the employees temperature.

Are they warm & receptive to this task or process, or are they cold? If the person is cold and is unwilling or not capable of change, a decision must be made. Live with it or remove it. If you allow the problem to exist, we now call this a cancer. It usually starts out small and then begins to spread throughout the shop until the cancer is now too large to manage. You then become frustrated to the point it effects you professionally and even personally. Do not allow the cancer to start. If the person, after having the opportunity to understand and receive support on changing their beliefs still is unwilling to change, you must then make a decision to make that employee a customer. Heart is without a doubt the timeliest and requires more follow up of all the obstacles but deserves the same response and effort as the rest of the obstacles. 

**ATTENTION SHOP OWNERS AND MANAGERS:**  
If you have something you would like to share,  
e-mail your coach or ATI at  
office@autotraining.net.

# Tall Estimates And The Size Of Your Sales

By Brian Canning



Spending an awful lot of time analyzing and inspecting the courtesy check process, especially as it relates to average repair order, I am going to suggest a slightly different approach to determine where the problems are in our shops. Though underneath it all, the courtesy check process and average repair order are functions of leadership, very often it is unclear as to whether the issues we are having in these areas are in back with the techs or up front with our service advisors. If you are going to lead, it is always preferable that you lead the right people and looking at how tall your estimates are, will give you great clues as to where the issues are and who needs to be led in a new direction.

I would have you look at and audit the size of the estimates you are generating from day to day and week to week. This number will very quickly tell you if you have buy-in, training or consistency issues with the number and quality of courtesy checks we are doing in the back of the shop or it will tell you if we have training, buy-in or sales competence issues up front on our counters. If the estimates we are seeing are consistently short, consistently lacking in recommendations for maintenance services and consistently centered on the gravy, the chances are very good that the techs and the quality of their courtesy checks are the issue. If the estimates are tall, with all the appropriate recommendations for maintenance and efforts to be true to the courtesy checks with broad recommendations for maintenance and service but

we are not seeing the expected sales results, you likely have a sales competence issue.

It matters very little if our technicians are doing great courtesy checks on every car that we pull into the shop, if we are putting a hatchet to them and failing to present the items the techs are finding. It is a further problem if we are careful and thorough in building great estimates if we are seeing a lack of selling success. Not everyone is capable of standing in front of another human being and getting them to see the value in the repairs and services we would recommend. Selling is an unforgiving business, full of



rejection and some of us just cannot sell. It doesn't matter if they are nice or smart, nor if they are really nice guys. Your business demands some level of selling success and if they are trained and understand the expectations we have set & we have given them a reasonable amount of time to succeed and they are still struggling, we need to find somebody else who can sell. We cannot survive if we cannot sell.

I want to take a moment or two to talk about the importance of having a well supervised courtesy check process in place. This would need to include our being aware of service history, repairs & services that have been previously declined and in our making appropriate recommendations for mainten-

ance. If we are not consistently looking at the cars we are seeing, we have no possibility of generating the sales and profits we need with less possibility of meeting or exceeding the expectations our customers have for us. Underneath it all, is both process and leadership. It is critical that we attempt to get the technicians and service advisors to do the things that we want them to do.

A second and equally critical aspect in this is in making sure that we are not recommending work that does not need to be done. Our reputation is absolutely critical and we cannot afford anyone feeling the pressure to sell and making false recommendations for repairs or service. If the repair or service is not needed now or before the next service interval, there is no place in our inspection or estimating process to include it. Our reputation and our responsibility to our customers would have us to be thorough, consistent and very honest.

The quickest way to turn techs off on the need for courtesy checks is in our consistent failure to sell the items they have recommended. They are very aware of the recommendations they have made and know very quickly if we are eliminating these recommendations from the estimate or if we are consistently failing in our efforts to sell the repair & service items they have uncovered and recommended. We need our techs bought-in and believing in the courtesy check process and selling is the greatest way to assure their reliable & best effort; especially if we have a compensation plan in place that will support the effort and pays them for their improved performance.

It is an unfortunate truth that many among us immediately

want to blame our technicians when average repair order is low, when tech productivity is low and when the number of courtesy checks we are doing is low. There is no doubt that sometimes the techs are to blame, but the vast majority of the time it is the leadership and our process that is the root cause of our poor performance in these areas. Techs mostly will do what they are asked, though often with the obligatory objection and whining. Strong leadership and expectations that are clear and understood will almost always solve issues in the back shop and from time to time, when somebody will not adapt or change, they will need to be replaced. There can be no compromise in what we are asking from our technicians but the very good news is that we are not asking for things that are unreasonable. Defining the journey and setting those expectations is certainly important, but more critical is holding the techs accountable to the results and in our insisting on adherence to the process. In my own experience, technicians nearly always object right before they give me everything I have asked for. Get past these objections and the rest of it will generally take care of itself.

I spend a lot of time talking up the importance & necessity of doing courtesy checks but an important next step to both verify the quality of these inspections and to verify the selling process is to look very closely at the estimates we are creating. If our estimates are consistently tall we can be confident in our courtesy checks. I would then begin to look at the close rate and what is not being sold. In the world of estimates, tall is where it starts. Sales are where it needs to end.



## Sam's Corner: EXTRA! EXTRA! Mark Your Calendars! Super Conference 2010 - Marco Island, FL, March 17th-20th



By Karen Dee

You won't want to miss the 2010 Superconference at the Marriott Beach Resort Golf Club and Spa in beautiful Marco Island, FL. Marco Island is the largest of Florida's Ten Thousand Islands, located on the Gulf of Mexico in Southwest Florida. The Marriott is beautifully situated on three miles of pure white pristine beachfront.

Our event starts with a Welcome Reception followed

by one full day of meetings, and then 2 half days of meetings. Half day meetings allow everyone to go out and enjoy their afternoons on Marco Island. The many activities include anything from Everglade tours, fishing, playing golf, catamaran sailing, dolphin tours to just sitting by the pool relaxing.

We promise to have an exciting agenda with special guest speakers and our famous

round table discussions. And back by popular demand – ATI's 2nd annual Beach Olympics. Make sure you join us in March 2010 to learn about the latest industry trends and reunite with old friends and meet new ones. Warm temperatures, balmy breezes, sunny skies & beautiful sunsets are the norm for Marco Island. Welcome to Paradise!



## Top Shop Awards from Superconference 2009

*And The Winners are... Congratulations to you all!*

### ATI Humanitarian Award

**Doug & Billy Hillmuth**  
Certified Automotive  
Maryland

### ATI Top Dealer of the Year Award

**Gary Pivotto**  
West Town Monona Tire  
Madison, WI

### ATI Top Shop of the Year Award

**Barry Balaban**  
Black Bear Auto  
Bristol, CT



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