

# ATI | ShopTalk

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## New Owners Triple Business as Car Count, Average RO, and Year-end Sales Are Up

Published in *Parts & People* on 1/1/2019, by: Dick DeLoach



When Buddy Dubois opened Placentia Super Service in 1978 it was a small shop in an older part of town. However, due to a major renovation project in that area some years later, the shop was able to relocate to its present 14,000-square-foot stand-alone building in South Placentia.

The business prospered at the new location and Dubois kept it running until he decided to retire and sold it to Bob Cornwall and Andrew "AJ" Bray in 2016, becoming their landlord.

"It was the best thing that could have happened to Buddy," Cornwall said. "He moved to a great location — free-way close by, with frontage on busy Melrose Street."

Cornwall and Bray met when they worked at another auto repair shop in Orange County and eventually decided it was time open their own shop, so they leased that portion of the building from Dubois. Two years later, they took over additional space in the building, knocked down a dividing wall and added two more lifts.

"I helped establish the California office of Jasper Engines & Transmissions and worked in outside sales with them for 10 years before becoming service

manager at Bill's Quality Auto Repair, in Simi Valley," Cornwall said. "I have 10 years' experience in service and running auto repair shops, but this is the first business I have owned, and I wanted to work in the front end."

AJ Bray has worked in the automotive industry since he was 18. In high school he took all automotive repair classes his school and the Los Amigos ROP program had to offer.

"I started my automotive repair career at Pep Boys, but I quickly moved to independent shops where I spent years learning from great technicians, growing my automotive understanding, and earning my ASE Master certification. The last shop I worked at is where I met Bob."

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While Cornwall and Bray are both trained and experienced in auto repair, they each decided to focus on different areas in their own shop. Cornwall said he loves helping people, so he runs the front office. Bray loves working on cars, so he is shop foreman.

### REVENUES INCREASE FROM \$350K TO \$1 MILLION -PLUS

The partners say things are working out well so far, as car count, average RO, and year-end sales are up.

"The previous owner typically averaged

about 50 vehicles a month with about a \$300-400 average repair order," Cornwall said. "Now we are consistently averaging 200 vehicles a month and over \$500 average repair order, and sales grew from \$350,000 in 2016 to more than \$1 million finishing 2018."

Numerous factors have contributed to the increases, he said, including growing the shop's online presence by using services such as ReachLocal for pay-per-click advertising, business training from ATI, and using Kukui for the shop's new website development.

"Generating positive reviews by truly giving our guests the 'Raving Fan' experience, as Ken Blanchard's book of the same name calls it, has really helped, and generated positive reviews online."

The philosophy includes being super communicative with the customer both by text and phone to keep them

well informed on what's going on with their vehicle along with sending out digital inspections and pictures and videos of the inspection.

Cornwall also "resells" the service at the end of the process, which includes going over what was done, showing the old parts to the customer, going over the warranty, giving a customer an air freshener and a referral card at the exit, and walking the guest out to their vehicle.

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## New Owners...

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The Placentia shop has also had a lot of growth lately by being directly involved in a local Facebook group called the Placentia Buzz, which has 13,000 members, Cornwall said. "It seems the local reviews carry a lot more weight than even Google or Yelp."

The shop has also recently teamed up with RepairPal and receives up to four "very good" new customer referrals a week.

Bray added, "We also get new customers that come in with CarMax warranties directed to us from the RepairPal site. Bob and I have visited the local CarMax dealers and handed out our cards so that if they get overloaded they can send customers to us. It's worked out great."

### EMBRACING ALL MAKES AND MODELS

The previous owner mainly worked on older vehicles with older technology, Bray said. Now, the shop takes in later-model domestic, Asian, and European vehicles, plus hybrids and diesels.

"Technicians are required to use lab scopes and multimeters and print wave forms because it gives our service writers tangible evidence of a failure, and helps build value in our diagnostic procedures," Bray said. "We use our Snap-on Verus that has an integrated four-channel lab scope."

The shop buys a lot of parts from Factory Motor Parts (FMP), as well as WORLD PAC and Cal State, and some OEM parts from local new car dealers.

"Through FMP, we are able to offer a 3-year/36,000-mile nationwide warranty that includes 12-month/12,000-mile roadside assistance," Bray said.

The shop is a member of the Automotive Training Institute (ATI) and meets weekly with a coach to better improve the bottom line and discuss in more detail challenges and opportunities

## ATI Announces New Preferred Supplier, PSA Insurance & Financial Services



On January 1st, 2019, the Automotive Training Institute (ATI) officially announced **PSA Insurance & Financial Services** as the newest preferred supplier providing value-added services to its members. PSA is a top 100 insurance brokerage and risk management firm, providing commercial insurance, employee benefits, HR consulting and personal insurance solutions.

and more affordable coverage specific to the unique risks of auto repair and collision shops," says Pat DeNobrega, VP of Commercial Insurance at PSA.

ATI Members will also receive many value-added benefits, including streamlined claims management assistance and risk and safety management services. PSA's dedicated teams of experts help ease the burden of managing claims and reduce workplace exposures, protect ATI member properties, minimize business interruption, and protect members from liability claims.

"We're excited to offer PSA as part of our preferred supplier program. They specialize in serving our industry and

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*"Over the years, PSA found that most auto service and body shops are either not adequately protected against exposures inherent to their industry, or they are overpaying for comprehensive coverage."*

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The partnership comes at a time when many shop owners are struggling to get affordable coverage.

"Over the years, PSA found that most auto service and body shops are either not adequately protected against exposures inherent to their industry, or they are overpaying for comprehensive coverage. To address this problem, PSA is excited to offer a new insurance buying program in partnership with ATI, which provides broader

offer a broad range of insurance options at an affordable price. This offering will greatly support our members, and subsequently, their employees," says Bryan Stasch, VP of Coaching at ATI.

To Learn more about the PSA-ATI Insurance Buying Program visit [www.psafinancial.com/coverage](http://www.psafinancial.com/coverage) or contact Pat DeNobrega at [pdnobrega@psafinancial.com](mailto:pdnobrega@psafinancial.com) and 410-798-7495.

they are experiencing, Cornwall said.

"We see many opportunities ahead. We just have to make sure to build as much value as possible into what the customer is experiencing at our shop," he said. "And we have addressed challenges, including establishing trust with every guest that comes into the shop. And, finding good technicians that can not only figure out the problems, but also repair them efficiently."



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# What Top Shop Owners Never Say and What They Do Instead

Eric M. Twigg, ATI Performance Coach



"Jack" owns a shop on the east coast and has two service advisors. The first advisor "Ray" is an automotive industry veteran with over 15 years of experience. He's been there, done that, and has the tee shirt and coffee mug to prove it!

The second writer "Craig", knows nothing about cars and couldn't change his own oil if his life depended on it! Which one would you hire? Before you answer, allow me to continue the story.

Jack scheduled them both to ATI service advisor class. Since Craig was brand new to the shop, he decided to send Ray first. When Ray returned, Jack asked him what he learned and what he planned to implement.

To which Ray replied: "Nothing new to report Jack. I already knew all of that stuff. Honestly, it was a waste of time." **Jack looked at Ray's workbook from class and noticed that the notes pages were blank.**

A month later, Craig attended the same class. He returned to the shop with a workbook full of notes and a list of ten takeaways. When Jack asked Craig what he thought about the class he replied: "I really have a lot to learn."

Several weeks later, Jack sent me a spreadsheet comparing Ray & Craig's monthly sales and Gross Profit performance. I noticed there was a major difference between the two. One writer was averaging \$9,400 per week in sales with a 46% gross profit while the other averaged \$3800 and 39%.

As I kept scrolling through the report, I

was shocked to discover that Craig, the new guy, was the top performer, while Ray was living proof of the following truth: **It's not what you know, it's what you do with what you know that produces results.**

Those individuals who have told me: **"I already knew that"** do have this in common: **They either failed to produce profits or were fired for performance.** Why is this the case? Stay with me to learn the two reasons why what you think you know can hurt you.

## THEY GET BLINDSIDED BY CHANGE

**In business, change is the only constant that you can count on.**

Technology, consumer, and employee demands are always evolving. **If you're always learning**, you'll be less likely to get blindsided. Montgomery Wards, Blockbuster Video, and BlackBerry, are examples of organizations who "already knew that." How did this mindset workout for them?

## YOUR COMPETITION IS GETTING BETTER

The business environment is like the running world in that everyone is getting better. In past years, having a website for your shop was like running a four-minute mile, and it put you ahead of your competition. Today, all of your competitors have one. Back in the day, the informed customer who had researched your location before their visit was like the four-minute miler. **Today, thanks to Google, every customer is an informed customer.**

**If you think you already know everything, you won't feel the need to improve.** The race for Top Shop is a marathon and not a sprint. **It's hard to win if everyone in the race has gotten better except for you.**

WANTED:



ATI's CEO, Chris "Chubby" Frederick, is looking for an Allen Smart Engine Analyzer for the Gilmore Classic Car Museum in Kalamazoo, Michigan. He wants to honor the inventor and President of Allen Test Products who passed away several years ago. It doesn't have to work, but it must appear to be in good condition and light up. If you have one that you'd like to be considered, email a picture of it to Chubby at [cfrederick@autotraining.net](mailto:cfrederick@autotraining.net).

## WELCOME NEW ATI FAMILY MEMBERS!



Check out some of our newest members that came to Owners Class last month at ATI headquarters in Linthicum, MD. Do you see anyone you recognize?

## ATI Shop Fundamental | Honor Commitments

Our customers are counting on us and we're counting on each other. Do what you say you're going to do, when you say you're going to do it. If a commitment can't be fulfilled, notify others early and agree upon a new commitment to be honored.



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