

# ShopTalk

**ATI**  
Automotive  
Training Institute

www.autotraining.net

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August 2013

## What to Expect When You're Expecting

By Kim Hickey

What are you doing to EXCEED your customer's expectations? If you are like most business owners, the answer is — absolutely nothing! Let's set the record straight right now! Charging fair prices, fixing only what is needed, finishing the job on time and not getting the vehicle dirty when you work on it DOES NOT EXCEED your customer's expectations. If doing what you are morally, ethically and legally obligated to do is exceeding your customer's expectations, then you need a better class of clientele!

WOW! Most of our shops are around a labor rate of \$100 per hour. Regardless of what you charge an hour, don't you think our customers have the right to expect that you will charge *fair* prices? Shouldn't they be able to assume that you are going to only fix what is needed? Isn't there a universal understanding that if you give a customer a time their vehicle will be done, it should be done at that time? How could anyone think that "not getting the customer's car all dirty" is exceeding someone's expectations?

Let's think about this for a moment and start with "We charge fair prices." What is a fair price? Who determines if it is "fair"? Does the \$50 an hour guy in town working out of his backyard with the one-day lean-to charge fair prices? How about the shop owner who has an actual building with overhead, insurance and state-of-the-art equipment who charges \$100 an hour? As a shop owner, in order to determine a labor rate that allows you to cover your expenses, and make a fair profit, you need to complete a labor rate analysis. Most shops call around and get ideas of what to charge from other shops. If they are right in the middle between the highest rate and lowest rate in town, they feel they have arrived at a "fair" labor rate. More often than not, the labor rate you arrive at that way is not "fair" to you at all. Every shop has different expenses, different amounts for rent or mortgage, for payroll taxes, etc. To be fair to you and your employees and your customers, you must determine what your actual labor cost per hour is. That number does not only consist of what you pay your technician per hour, but the cost of your portion of payroll taxes, worker's comp, health insurance, etc. We perform a labor rate analysis with our clients to determine what is fair for their application.

Ask yourself what customers can get at your shop that they cannot get anywhere else. Try to think about the last time a customer said to you "Wow, I can't believe you did that for me!" One of the main things that your customers cannot get anywhere else



is you or your staff. You have to start by building personal relationships with your customers. Slow down, before you send a mass email to all your customers and invite them to a barbecue at your house, take a step back and think about how they get treated when they come in the door of your shop. Are they welcomed with a smile? Did anyone remember their name? Keep notes. Every software system has a spot where you can write notes in without the customer seeing them. If you see Mrs. Jackson wearing a Yankee hat, ask her about it. If the Yankees are her favorite team, make a note of it. If she schedules an appointment for a trip inspection because she is driving to see her grandson Little Johnny graduate, make a note of it. If Mr. Jones is in a hurry because he has to get to Bob Jr.'s T-ball game, make a note of it. Before your appointments come in for the day, read the notes. When Mrs. Jackson comes in, ask her how her Yankees are doing. Then ask how Little Johnny is. Mrs. Jackson will be thrilled that you asked! Not only will she be thrilled, she will feel like a person and not a transaction. When you ask Bob about Junior's game, he will gladly brag and tell you. That is the first step to the WOW. Make your customers feel important to you — BECAUSE THEY ARE! Make them feel so welcome, and so comfortable with you, they wouldn't dream of going anywhere else.

Life is no longer personal. We live in a world of Google, Facebook, texting, Twitter, Snapshot, etc. We don't have to speak to one another, because we communicate electronically. No one has to ask friends, family, co-workers, etc., to recommended businesses, because they Google them and read the reviews. I have two teenage sons, who like the finer things in life. It has to be name brand, or they won't wear it. But, they are not loyal, not to the brand,

not to the places they shop. They will go somewhere new for a haircut every month. They will buy a certain brand because it is currently in style. They will go somewhere new all the time for everything. Why? Because my sons are used to an impersonal world, and no one has taken the time to build a relationship with them when they purchase things. Whether it is a place to get a haircut, a restaurant, a car wash, an auto repair shop, it doesn't matter. These are just places to them. Your job is to make your place more than just a brick and mortar place, but an establishment with people in it. You have to make it personal. Customers aren't loyal to buildings or addresses, they are loyal to people that WOW them. Is your waiting room set up to WOW your customers? Do you have beverages for them, fresh cookies or pastries, a dish of fresh fruit? Do you think customers expect fresh fruit or would that exceed their expectations? Is your staff professional and courteous? Do customers have a right to expect to be greeted by courteous professionals? How do we go beyond that? How do we exceed that expectation?

It could be your warranty. If everyone else is offering a 2 year/24 month, then by you offering the same, you are not exceeding their expectations, but if you offered a 3 year/36,000 mile warranty or a 5 year/50,000 mile warranty, you would be. The taller the warranty is, the more likely it is that the customer will return to you if they have any problems.

Maybe it's your shuttle service? Most shops these days offer shuttle service. In my opinion, this service is a necessity, and most customers expect this. Besides being a service most customers expect these days, it can also be used as a closing tool. When Mrs. Jackson is not sure she can have the repairs

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# Why Can't You Book My Next Service Appointment?



By Geoff Berman, Coach / Instructor

Often I am stunned to hear the difficulties many shops have in implementing a proactive Exit Scheduling Process. I say stunned because the shops that have mastered it, don't know what they did without it. Similar to how you probably feel about your Smart Phone. It simply takes a good process, commitment and the right tools. This month I want to introduce you to a great tool that will help you make an Exit Scheduling Process a reality. Instead of giving me an appointment card, why not make it fun? Use one of these creative ideas to help your customer make the right decision. Whether you choose the scratch-off or the envelope, they will get a reward each time they come back for their scheduled appointment, as long as they do not peek at the prize. You reveal their gift when they come back. So go to the **Resource Center** and to the **ATI Marketing Tool Box** and order yours today. If you need further assistance, you can contact your coach or FSR at email: [customerservice@fsr1.com](mailto:customerservice@fsr1.com) or phone: 434-973-4152.

### Shop Owner Options:

- [Shop Owner Home](#)
- [Message Post](#)
- [Resource Center](#)
- [Referral](#)

Click here



Then click here

### Envelope with card



### Scratch-off card



# Matt Winslow Will Speak at ASA Conference



ASA welcomes Matt Winslow, ATI's Director of Speakers and Content Development, at the ASA Chicago Automotive Networking Conference on September 20 – 22, 2013. Matt has more than

23 years' experience as an instructor, presenter and training course developer. Register today for one of these management classes where Matt will speak: Chubby's Four Keys to Lasting Success and Profit (Friday PM: Owners Only); Leading and Managing Effectively (Saturday AM); Effective Marketing in the Internet Age: Understanding the Strategy and Utilizing These New Marketing Tools (Saturday PM); and Managing and Executing Effectively: Hiring and Coaching (Sunday AM). And be sure to stop by the ATI booth at the trade show and visit with Jim Silverman.



ATI's **Jim Silverman** will also be attending the ASTE Automotive Service and Technology Expo on Saturday, September 28, 2013, in Cary, North Carolina. Stop by to visit him at the ATI booth.



# Sam's Corner

## Want a New Career?

Do you need a new challenge in life, is your business on autopilot, and do you love helping other shop owners grow? If the answer to all three is yes, then how would you like to be considered for employment with ATI as a coach? I won't kid you, it is not an easy job, but it can be extremely emotionally and financially rewarding.

As you might be aware, a number of our coaches began as clients of ATI in our Re-Engineering Program and continued as ATI Alumni participating in one of our 20 Groups. The advantage these coaches have is they lived through re-engineering their business and so they understand exactly what it takes to fix a business. This experience can be a real asset for helping other shop owners grow their business, as long as you have the ability to transfer that skill to others — which is not easy.

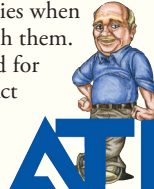
There are a few considerations for you to think about before you take this leap. Will your business run without your involvement in operation and in vision? You not only need someone to run your business and keep your clients happy. You also need someone to be involved at a higher level to maintain the culture and create the vision necessary to keep the business growing. This is quite a challenge in and of itself. Some coaches have given the business to their families or employees. Some of our coaches have sold their business and remained as the landlord of the

property. Whatever you do, one thing is for sure: you have to focus all of your attention on your clients, not your business, or you will fail at both. The vast majority of shop owners that open up a second shop fail because they didn't realize how vital they were to the success of the first shop.

The next challenge is do you have the personality to transfer your skills to others in such a way that people will follow you? We have a personality test we can give you to help us make a decision for both of us, and we have been working with you for quite a while, so that part shouldn't be too hard to determine.

Helping others change their misguided belief systems can be quite frustrating, as you can probably remember. But unlike you, many simply won't do what you suggest. So you will have to forgive them and try to determine another way to influence them, because you will held accountable for the shop's return on investment, attendance in school and customer satisfaction surveys, to name a few.

The good news is we have a lot of fun at ATI, and as you have experienced we operate like a family. We truly love helping shop owners grow and seeing the faces of their families when they have more time to spend with them. If you would like to be considered for a coaching position, simply contact Bryan Stasch, our VP of Client Fulfillment, and discuss it in more detail.



# Announcing ATI's Two Newest 20 Groups!

## Peak Performers and Second in Command

The 20 Group named Peak Performers will be hosted by Vice President Bryan Stasch. This group will include 20 non-competing auto repair shop owners from around the country who come together to share experiences, review challenges and make commitments to implement ideas to achieve their goals. This group will have one meeting in Baltimore, and they will also hold one planned on-site meeting at a group member's shop, to provide feedback in the key performance areas of appearance, operations and culture.

Second in Command will be hosted by Senior Coach and Instructor Randy Somers. This group will include personnel from 20 non-competing auto repair shops around the country who come together to share experiences, review challenges unique to a Second in Command position and make commitments to implement ideas to achieve their goals.

Both Groups are open for enrollment and applicants will be carefully selected for each group. If you feel you, or someone at your shop, may be a good fit for the Peak Performers or Second in Command, please talk with your coach. **ATI**

# Shop Productivity By Paul Colison



I develop compensation plans for our clients and the most frequently overlooked factor in the shops I see is tech productivity. Few shops measure individual productivity and so do not realize the resulting loss of revenue, which is sometimes extreme. How do you look at your shop's productivity? A lot of shop owners do not measure, and if they see movement in the shop, they just assume the techs are productive.

I usually start with how you build an estimate. For labor, you use a time guide which lists labor times. What are your expectations to meet these labor times? Usually the labor times have a "w" time — this is warranty time and usually less than book time. This is factory warranty time for newer vehicles by techs who mostly work on one make, but shouldn't your A tech be able to hit this?

Take a look at your overall shop productivity. Overall productivity should be 75 percent or better, but most of the time it is not. Even if it is, you still need to look at individual productivity, and especially if overall productivity is below 75 percent. The simplest way is to measure the time on the floor versus billed hours. Here's an example: if a technician worked 40 hours and is billed for 30, productivity is 75 percent. Look

at individual productivity — some shops have a hitter and several slackers. This makes overall productivity look good, but when you look at the individuals, you see the difference.

What are your expectations on each tech for productivity? They will not all be the same! A techs, B techs and C techs all will have different expectations. Import versus domestic mix also will make a difference, as a lot of the imports have predictable, repeatable problems enabling techs to repair much quicker. Specialty shops working on one brand or even fleets working on only a smaller number of similar trucks have the same situation. I worked in a Honda shop where each bay had to produce a minimum of 10 hours a day. In typical stores, an A tech should be able to bill more time than he or she worked. A B tech typically should be able to bill 75 percent or better. Most C techs come in at about 50 percent. Look at your individual productivity and see where your issues are.

Once you have got a handle on individual productivity, you need to have a meeting and set expectations and get buy-in once again. Most techs don't know what is expected of them; they are just working their pay plan. After you get the buy-in, now you need to measure and measure daily. Ideally you should post the individual productivity, but at the very least the techs need to know every day. The purpose of this is both

to find out issues affecting productivity and also to celebrate the victories.

Various things will influence productivity, some good and some bad. I have had something as simple and easily fixed as parking situations causing more time to get the car in than to do the oil change and courtesy check. In looking at individual productivity daily, you will find many situations affecting it. Wrong tech for the job: a dispatch or training issue? Waiting for parts or estimates: a service advisor issue? Tech taking customers home, running for parts: maybe a job mismatch issue? Good courtesy checks, low sales: a service advisor sales issue? Then you have the more challenging issues: cell phones, smoke breaks or just plain B-S sessions. Some of these are easy to fix, some are challenging, but if you don't measure it you can't manage it!

Most times when owners look at individual productivity, set expectations, monitor and post, technicians have the pride and buy-in to accomplish the goal. You will find you have some challenges but this is also challenging your profitability and sometimes, someone just has to go.



## Car Care Month Is Coming! Are You Ready?

By Mike Haley, ATI Team Leader

What if I told you there is an event you can do in October to bring in new customers, get reacquainted with old customers and provide a community service. Would you want it? If I told you this event has national recognition and sponsorship. This event already exists and it is the Car Care Month performed every year in October and April. The Car Care Council was developed to help educate consumers on the second largest investment they have, their vehicles. Car Care offers everything you need to help schedule, plan and promote your event. For a fee of \$59 (tax deductible) you will receive your car care kit which includes all the point of sale tools needed to have a successful event.

[www.carcare.org](http://www.carcare.org)

## What to Expect When You're Expecting

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done that you are recommending because she won't have a way home, your close is "Mrs. Jackson, if we drive you home right now is there any reason we can't get started on your repairs?". So a shuttle does not *exceed* a customer's expectations, but keeps you on a level playing field with the other shops and can help you close a sale.

## Strive for Five A series by Gary Siegel, Fitness Matters Gym

**"Eat Healthy, Worry Less, Work Hard, Stay Strong"**

are words to live by, and here are a few helpful suggestions on how to do just that:

five healthiest foods:	five healthiest veggies:	five healthiest fruits:
wild salmon	chard	berries
Greek yogurt	broccoli	banana
broccoli	kale	apple
sweet potatoes	spinach	mangoes
mangoes	brussels sprouts	grapes

[www.fitnessmattersgym.biz](http://www.fitnessmattersgym.biz)

<http://www.facebook.com/pages/Fitness-Matters-Gym/169644349752404>

[garyksiegel@gmail.com](mailto:garyksiegel@gmail.com)

240-354-7565

With two gym locations: 1612a Professional Blvd. 13200 Vanessa Ave.  
Crofton, MD 21114 Bowie, MD 20720



















**Gift Certificates available for ALL occasions**










Vehicle wash and vacuum. Instead of thinking you WOWED your customer because you didn't make their car dirty while you worked on it, why don't you return it cleaner than when you got it? How long does it take to do a quick wash and vacuum on most cars? I have been at events where I have heard people say "Every time I take my car to Chubby's Auto Shop, they return it to me cleaner than when I brought it!" I can honestly tell you I have never

heard "Every time I take my car to Chubby's Auto Shop, they don't make it dirty."

Last but not least, many of our clients are having great success with leaving little thank-you gifts on their customer's car seats. Some customers are so WOWED by this, they walk back in the shop to say thank you or send thank-you notes for the thank-you gift. **ATI**

# Your Available Training Programs for September and October 2013

September 2013					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday/Sunday
					1
2	3	4 <b>Shop Owner</b> Part 1	5 <b>Shop Owner</b> Part 1	6 <b>Shop Owner</b> Part 1	7/8
9 <b>Shop Owner</b> Part 4	10 <b>Shop Owner</b> Part 4	11	12 <b>20 Group</b> Baltimore Potomac	13 <b>20 Group</b> Baltimore Potomac	14/15
16 <b>Service Advisor</b> Part 1	17 <b>Service Advisor</b> Part 1	18 <b>Shop Owner</b> Part 2	19 <b>Master Mind</b> <b>Shop Owner</b> Part 2	20 <b>Master Mind</b> <b>Shop Owner</b> Part 2	21/22
23 <b>Service Advisor</b> <b>20 Group</b> "Profiteers"	24 <b>Service Advisor</b> <b>20 Group</b> "Profiteers"	25 <b>Shop Owner</b> Part 3	26 <b>Shop Owner</b> Part 3	27 <b>Shop Owner</b> Part 3	28/29
30 <b>20 Group</b> SLC <b>Service Advisor</b> Part 2					
					

October 2013					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday/Sunday
	1 <b>20 Group</b> SLC <b>Service Advisor</b> Part 2	2 <b>Shop Owner</b> Part 1	3 <b>20 Group</b> Irvine <b>Shop Owner</b> Part 1	4 <b>20 Group</b> Irvine <b>Shop Owner</b> Part 1	5/6
7 <b>Service Advisor</b> Part 1	8 <b>Service Advisor</b> Part 1	9	10	11	12/13
14 <b>Service Manager</b> 1 of 2	15 <b>Service Manager</b> 2 of 2	16 <b>Shop Owner</b> Part 2	17 <b>20 Group</b> Austin <b>Shop Owner</b> Part 2	18 <b>20 Group</b> Austin <b>Shop Owner</b> Part 2	19/20
21	22	23	24 <b>20 Group</b> Baltimore Chesapeake	25 <b>20 Group</b> Baltimore Chesapeake	26/27
28 <b>20 Group</b> Leading Ladies <b>Service Advisor</b> Part 2	29 <b>20 Group</b> Leading Ladies <b>Service Advisor</b> Part 2	30 <b>Shop Owner</b> Part 3	31 <b>Shop Owner</b> Part 3  Halloween		
					

### 20 Group Key

- |                                    |                                       |
|------------------------------------|---------------------------------------|
| Potomac 5 (previously Baltimore 4) | Chesapeake 5 (previously Baltimore 5) |
| GRP 3 - Rollin' in Dough           | GRP 1 - 20 for the Money              |
| GRP 4 - European Imports           | GRP 5 - Back in Black                 |
| GRP 11 - Profit Force              | GRP 7 - 20/20 Vision                  |
| GRP 12 - Money Masters             | GRP 9 - Score for More                |
| GRP 14 - New Baltimore Group       | GRP 10 - Nothin' but Net              |

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