

ShopTalk



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June 2016

Upcoming Classes:

Shop Owner

Leadership Mastery

July 25, 26 & 27 | August 24, 25 & 26

Staffing & Hiring

August 4 & 5

Align Your Shop for Profit

July 13, 14 & 15 | August 10, 11 & 12

A.B.M. Always Be Marketing

August 17, 18 & 19

Succession Planning

August 1, 2 & 3

Service Advisor

The Role of the Service Advisor

July 11 & 12 | August 1 & 2

August 29 & 30

ATI's 7 Step Sales Process

August 15 & 16

ATI's 7 Step Sales Process - LAX

August 18 & 19

The Role of the Service Advisor - LAX

July 21 & 22

Collision

Leadership Mastery

July 25, 26 & 27 | August 24, 25 & 26

Collision Repair Production

August 8 & 9

Keys to a Successful Collision Business

July 13, 14, & 15 | August 10, 11 & 12

Hiring & Staffing - Behavioral Interviews

June 6 & 7

Estimating & Sales Course Pt 1.

July 11 & 12

Estimating & Sales Course Pt 2.

July 18 & 19

A.B.M. Always Be Marketing

August 17, 18 & 19

How to Become an Unstoppable Shop Owner

By Erik M. Twiggs ; ATI Coach

“Success is the sum of small efforts, repeated day in and day out.”

—Robert Collier

Have you ever attended a training class looking for **“the silver bullet”**?

I thought about this as I recently watched a documentary on legendary football coach Vince Lombardi. Lombardi is considered to be the greatest coach of his era. He would conduct clinics for assistant coaches around the league who were **seeking the secret to his success.**

During the documentary, they interviewed a young assistant named John Madden. Madden admitted to being young and cocky, **believing that he already knew it all.** He attended the meeting looking for new information that would take his career to the next level. Madden was searching for the silver bullet.

The session was eight hours long. Lombardi spoke for four hours, took a break, and came back and talked four more. Madden was shocked to discover that the entire eight-hour session was on how to run one play!

The play was called the **power sweep.** It was so simple and basic that every assistant coach in the room knew about it before attending the clinic. Even teams on the high school levels used it.

Why would a Hall of Fame coach spend so much time focused on something everyone already knew about?

Here's the lesson: **It's not about what you already know, it's what you do with what you know, that determines the outcome of the game.**

In other words, the **secret to your success is to become brilliant at the basics.** This level of mastery will make you unstoppable!

Just ask Vince. His Green Bay Packers ran this basic play better than everyone else in the league. His team mastered it to the point where it became unstoppable, even when the defense knew it was coming!

What are the basics that you should master to become a champion in your market? **Step into my huddle, and you will learn.**

Repair Order Audits

I was doing a coaching call last year, and my client and I were having a lively and interactive conversation. Everything changed when I asked him why his effective labor rate had been dropping the last three weeks.

The phone line went silent! Before I could call Verizon to find out what happened, he admitted that he didn't know! If he had been doing daily repair order audits, he would have been prepared for my question.

Like any discipline, the **process isn't exciting, but it's effective. Your people respect what you inspect,** so you will experience an improvement in compliance when they know you are regularly

(Continue on back page)

It's Not the 80's Anymore

Out of Date Habit #8: Budget? I Rented a Car From Them Once.

Geoff Berman *Coach/Instructor*

As I've said many times in this series, life was simpler back in the 80s. You went to work, you fixed cars and then you went home. This provided you and your family what was needed. Why would this ever change? Any planning for the future seemed unimportant if the thought ever crossed your mind at all. Did you have a plan to grow, or maybe just to maintain what you had? I doubt it. If you did, you are likely in a much better place today, and you are certainly in the minority. Most of you just didn't have it on your radar back then.

Well, things just aren't the same these days. Planning is crucial to your survival and a very important part of planning is budgeting. Now I know this is not a new concept and you all understand budgeting your money. For example, you may have set a budget this year to increase your sales by 10 percent from \$727,000 to \$800,000. That is a great goal. The question is how are you going to get there? What is it going to take? This is what we're going to discuss in this article and more specifically your Marketing Budget.

What Is the Part I've Missed?

There are two sides to your marketing budget. The first side we all understand. If you want to grow, you need to spend more money. That may or may not be possible, and if it is going to be difficult to find the cash to grow, then side two is even more important, so pay close attention to this next part.

First, you must understand that there is always a price. Sometimes that price can be paid with cash, but when it can't, it still has to be paid if you really want to meet your budget. So how do you pay it? If you were to put a value on your time, what would you say you are worth? \$50 an hour, \$100, \$200? This is how you're going to make up the shortfall in your budget, with time. This is the part most of you have missed. Change does not happen because you set a goal and wished for it to happen. You must invest something to get there. There is always a price, and that is usually a balance between cash and time.

How Much Should You Budget for Marketing?

This is a tough question for a lot of you but it doesn't have to be. Depending on your needs, you will spend anywhere from 4 percent to 10 percent of your budgeted sales for the year on marketing. Now I know that is a big range so let me help you determine on what side of that scale you might fall.

- If your vehicle count is low, your need is higher. So is your marketing budget.
- If your vehicle count is stable, your growth needs are lower.
So is your marketing budget.
- If you want to grow, increase the budget to match the growth.

So basically what I'm saying is if you want or need more, you will have to spend more. This may be hard to visualize because if you feel you need a 10 percent marketing budget based on what I just said, that may seem impossible. The shop we mentioned earlier would need to spend \$80,000 a year at 10 percent of the \$800,000 in sales they want to reach. I don't have that kind of money, Geoff!! I agree, that is insane but there is a way, so stay with me and I'll show you.

How Much Cash Should You Budget?

Remember I said there were two sides to the marketing budget, money and time. Before we can figure out the time, we first need to decide how much cash we are willing to invest. I'm going to show you a very simple formula to figure this out. Let's say you spent \$15,000 last year on marketing. If your sales last year was \$727,000 then you had a marketing budget of 2 percent. So if we want \$800,000 this year and we stick with the same 2 percent, you will spend an additional \$1,000 a year or \$16,000 for 2016 to achieve that. Now you can use this number or you can raise it. That's up to you, but I think you can see this is a small and affordable increase.

Hint: Most shops fall between 2 percent and 3 percent when they look at what they currently spend. If you fall less than 4 percent and you want to grow, I would try to get as close to that 4 percent as possible. In this example that would be \$32,000 of cash spent on marketing this year.

How Do I Fill the Shortfall?

First, let's recap what we know so far. Your sales budget is \$800,000, your marketing budget is 10 percent of that at \$80,000, and you decided to spend \$16,000 in cash of the \$80,000. This leaves you with a \$64,000 shortfall in your marketing budget.

Earlier I asked you what you're worth per hour. To keep the math simple I'm going to use \$100 per hour. So $\$64,000 / \$100 = 640$ hours per year. Congratulations! You just created your marketing budget. I would suggest you break the numbers down so that the dollars are monthly and the time is weekly.

Marketing Budget:	\$80,000	What you will spend this year to reach your goal
	\$1,333	Monthly dollars in your budget
	12.3 hours	Time you need to spend each week

Once you get here, you can shift the numbers between time and money any way you want but you cannot reduce the budget. Remember there is always a price. If you don't have the cash then you must invest your time, period!

So What Do I Do With All This Time?

One thing I want to make clear here. The 12.3 hours do not all have to fall directly on you but you must be committed to this time being spent. A minimal effort will bring you minimal results. For example, thank-you calls are likely being done by your sales professional. This is part of your 12.3 hours budget, but you must make sure it is getting done and done consistently and correctly. If you are not, then it's not either.

Now you need to keep track of the time and the money in your marketing budget. The best way I know of how to do this is in the "Marketing Calendar." If you need help with the "Marketing Calendar," your coach can help you and you will learn it at the end of the marketing class.

If you want some examples of what to spend your time on, email me at gberman@autotraining.net and I will send you a list along with a worksheet to create your marketing budget.



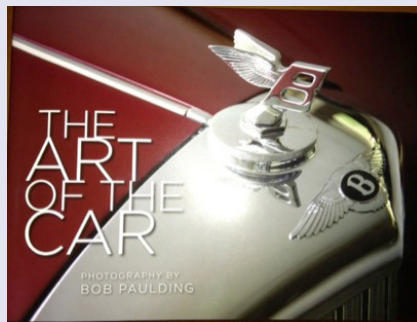
Sam's Corner

Chubby's Two Favorite Books of 2016

If you were not aware I am not real fond of reading, now you know! That doesn't mean I don't read or that you shouldn't! Especially when a great book is not offered in an audio format. With all that said, here are two books you can read in no time at all, one with more pictures than text.

First, "Make the Noise Go Away: The Power of an Effective Second in Command," by Larry G. Linne. I had the opportunity to hear him speak recently at my CEOIQ 20 Group meeting and I was really impressed. If you believe that your business should give you a life, not take it away, and you are interested in developing a second in command, this is the best book you could possibly read. It is targeted to both first and second in commands. It teaches how both should communicate with each other, with concrete takeaways and tools for implementation. In addition, you will learn how to hire an effective second in command that aligns with the owner's values. The noise is what keeps you up at night and many times we have difficulty communicating those concerns to the second in command. This guide teaches shop owners and second in commands how to clear the way for productivity and success.

This is a wonderful coffee table book for your waiting rooms. Your customers don't have to be car people to enjoy flipping through the beautiful pictures. This book is the culmination of Bob's love of photography and cars. Since 1997 Bob has been traveling to car shows ranging from local shows to exotic concours full of examples of vintage and classic styling. As you look through the book you will notice grille to taillight but never the entire car.



My second favorite book is "The Art of the Car," by Bob Paulding

I want to recommend to all our ATI clients that you visit www.bobpauldingphoto.com and buy a copy of "The Art of the Car" for your waiting area or personal viewing. The book adds a nice touch to your image as a professional business owner.

If you subscribe to Garage Style magazine you'll see the editor's review as I did. As an added feature, when ordering you can request that it be signed. I know you and your customers will enjoy it.

C. L. Frederick



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Quest for Excellence

ATI's Best of the Best

2015

Congratulations to ATI President's Award Recipients

Every year, ATI recognizes our best of the best by inducting them into The President's Club. These associates have consistently demonstrated an unparalleled commitment and dedication to ATI and our clients. Please join us in congratulating them on their outstanding performance in 2015.

Frank Rose, Dan Kelly, Zach Booth, Jim Centineo, Jason Hawkins, Doug Worm, Jim Schaffer, Eric Twiggs, Geoff Berman, Kim Hickey, Kevin Allen, Kevin Myers, Rich Johnson, Brian Hunnicutt, Mike Bennett, Paul Colison, Tom Ringle, Amy Fox.



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How to Become an Unstoppable Shop Owner (continued)

reviewing tickets.

Exit Appointments

What if I told you I had a marketing program that was **FREE**, and it would provide you with **10 additional cars per week**? Would you sign up? If so, then why not schedule the next appointment for your customers? The clients who consistently schedule the next service for every customer, report a minimum of 25 percent coming back as scheduled.

If you average 40 cars per week, the math works out to 10 customers coming back who normally wouldn't. ($40 \times 25\% = 10$) I know I have mentioned this in another article, but I figured if Lombardi can talk about one play for eight hours, I can talk about exit appointments in two articles! Like the power sweep, it's worth mentioning multiple times.

Summary

When you commit to doing daily audits and scheduling the next appointment, you will become brilliant at the basics, which is the real silver bullet! You may not make the Hall of Fame, but you can become an **unstoppable shop owner!**

Sincerely,

Eric M. Twiggs
www.autotraining.net

PS. Email me at etwiggs@autotraining.net and I will send you a checklist of the five daily disciplines that will make you unstoppable.