



# PROFIT MATTERS

HOW DO YOUR NUMBERS LINE UP? | BY CHRIS "CHUBBY" FREDERICK

## You, Perhaps, and Not the Economy

Like many of you, I have had the challenge of working through many recessions in the automotive industry. Historically, it has always been good for us, as we watch the repair business go up as car sales go down. This recession has been more challenging as gas prices reduce mileage, which certainly has affected tire sales for most of the tire industry.

**The bad news is the thousands of shops attending our seminars around the country for the first time are in the worst shape we have ever witnessed in past years.**

The good news is shop owners who are staying proactive still are having a good year in service. As a matter of fact, the shops we coach weekly are up \$2,143 a week in cash profits since the day we began working with them.

The bad news is the thousands of shops attending our seminars around the country for the first time are in the worst shape we have ever witnessed in past years. These owners typically are not as proactive and usually work in their businesses not on their businesses. I want to share with you a message that was sent to my clients in our newsletter from my head coach, Brian Canning. He is one of my senior managers and is responsible for overseeing our coaching department. Here is what he had to share with me:

"I would gladly report to you that a great many of the clients I talk to are hav-

ing great years, in fact record years. Just yesterday afternoon, I talked to a client in central Pennsylvania who is having a record year, and June, despite cooler than normal temperatures, is lining up as a record month. I would love to tell you that this was due to great coaching, but the truth is this is actually a former client who just runs a great business.

"He goes to great lengths to take care of his customers, has the benefit of those relationships and does a good job at bringing maintenance into the conversation. In no way would I describe him as aggressive in his selling, but I would describe him as very interested in making sure his customers are taken care of, and that includes making those recommendations for service. I would say that he has the advantage of being a high volume tire store, thus providing increased opportunity, but great customer relationships and being willing to recommend maintenance are keys to his sustained success," he wrote.

"Somebody seems to have forgotten to tell him that there is an economic slowdown going on, and so he remains unaccountably busy. Somebody has forgotten to tell his customers as well, and they insist on coming in as always and spending their money.

### QUESTION OF THE MONTH

**QUESTION:**

**What is the best suggestion you have to help shop owners during a recession?**

**Remain positive and enthusiastic around your associates so they catch the buzz.**

**If you need help yourself, attend motivational seminars on your business or listen to CDs of any inspirational speakers who motivate you.**

*Do you have a question for Chubby?  
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Don't these people know there is a recession? Doesn't this shop owner watch TV?"

After receiving that message, my impression in this current economic situation is that there are more selling opportunities and more willing customers than we in the automotive repair industry have seen in many years. I base this on the incredibly strong numbers I am seeing from across the country and on conversations I am having with these shop owners.

Further, I would say those shops that are doing courtesy checks and are willing to recommend maintenance are assuring that despite a very nervous customer base, they are maximizing the opportunities presented by their existing car count. Some of these shops always have done courtesy checks, and I am guessing always will. Some of these shops saw the potential for a slowdown in the economy and only recently began to try courtesy checks and

have gotten a good response.

These guys were decidedly late to the party, because they never saw the urgency, but now are discovering huge opportunities that until recently they had ignored. They are also doing their best to breathe life into the relationships they previously had taken for granted and are finding that despite the inattention over the years, their customers still love them and are willing to nod their heads.

It once again comes down to leadership. Even if in your heart of hearts you are doubtful and fearful of where the economy is headed, you need to be optimistic and get your people to do the things that they should be doing. You cannot accept the economy as an excuse to be inconsistent, a reason not to talk to your customers about maintenance or to have your technicians be unwilling to do those courtesy checks that lead to you making those recommendations for maintenance. You need to believe that the sky is not falling



and, more importantly, you need to convince everyone around you of it as well. Turn off the TV. We've got work to do and customers who need our help.

I read recently that every major car manufacturer in the country, except Honda, this year has posted declines in sales. If people are not buying cars, then it would stand to reason that these vehicles will need to be maintained and even repaired. This only matters if you are looking, if you are recommending and if you are making your customers feel at home. This is opportunity knocking, how may I help you? 

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