OPERATIONS

PROFIT MATTERS

HOW DO YOUR NUMBERS LINE UP?

SHOULD YOU BE LISTENING TO YOUR EMPLOYEES?

YOU WANT YOUR CUSTOMERS TO LISTEN TO YOUR PEOPLE, SO WHY AREN'T YOU?

BY CHRIS "CHUBBY" FREDERICK | CONTRIBUTOR

SHOULD you listen to your service advisor? Should you listen to part-timers who help you keep the shop looking great? How often should you talk with them?

Working with shop owners for more than four decades has taught me a lot about running a business. In the past 10 years, I have seen more change in our industry than in the previous 30. We have had to learn many new skills, and believe me when I tell you I hate change. I was listening to a shop owner from Nebraska, Rick Johnson, explain how to keep your business growing. He is a coach at ATI and has taught this successfully to hundreds of owners.

Rick has a good friend whose son is an airline pilot. One day she was telling him about something her son talked to her about — "situational awareness." It is simply the ability to see objects in time and space through multiple perspectives and interpretations. Simple, huh? He said, "Mom, even though we have all these wonderful instruments that tell us how fast we are going, how high we are flying, how much fuel we have and how well things are running, it is still important to look out the window once in a while and see for ourselves just how things are looking."

Situational awareness involves being aware of what is happening in the vicinity in order to understand how information, events and one's own actions will affect goals and objectives, both



immediately and in the near future. One with an adept sense of situational awareness has a high degree of knowledge about the inputs and outputs of a system, i.e., an instinctive "feel" for people and events — for the situations that play out due to variables the subject can control. Another definition is "the perception of elements in the environment within a volume of time and space, the comprehension of their meaning and the projection of their status in the near future." And probably my favorite, "Knowing what is going on so you can figure out what to do."

Increasing Productivity

So how does all this apply to your shop? After all, we are not flying high-tech airplanes here — or are we? I have always been told that a service writer is much like an air traffic controller. The advisor handles all the traffic coming into the shop and all the traffic leaving the shop, watches for collisions of time constraints, promised delivery times and parts ordering, and keeps track of the techs' needs as well.



"WHAT DO YOU THINK IS THE BIGGEST REASON EMPLOYEES LEAVE? TYPICALLY IT IS MORE ABOUT NOT BEING LISTENED TOO OR RECOGNIZED THAN IT IS ABOUT THE MONEY!"

CHRIS "CHUBBY" FREDERICK [CONTRIBUTOR]

The techs keep this well-oiled machine cranking out all the production, and the owner (pilot) needs to fly this ship and watch for any hazards and fly around them as they come up. When the shop has good communication from the control tower to the techs and the owner, things can fly along pretty smoothly. However, when something breaks down, it is amazing and scary how fast we can crash and burn.

We definitely have a lot of "wonderful instruments" to monitor our business. At ATI, we call them Key Performance Indicators (KPIs). We can see average repair orders, parts margins, labor margins, car count, gross profit and many other indicators of how fast we are going, how high we are flying and how much fuel we have. So, like the pilot, do we need to just watch the gauges, or do we need to "look out the window" and practice situational awareness as well?

Situational awareness applies not only to high-tech equipment, but also to people. We must apply this to our staff as well as to our equipment. It is important for us to take a look around, not to focus only on the instruments or KPIs, but to become aware of our environment. After all, employees make our instruments run and reports come to life. How long has it been since you have taken the time and effort to meet with your staff? To take their "temperatures" and see how they are running? To see how fast they are going and how much fuel they have left?

Don't Forget

In today's fast-paced shop and hightech world, it is easy to forget we are working with some of the most important equipment in our shops and that is our employees. Taking time to meet with them has almost become a forgotten skill. I realize that production is important, but what good does it do to run so hard that we forget to stay aware of our employees' KPIs? Paying attention to our employees is easier than you might think and takes very little time, and the results are amazing.

SEARCHAUTOPARTS.COM 19



A great way to do this is to set up one-on-one meetings weekly with each employee. Take time to set up a notebook and list the employee's strengths and weaknesses and go over it with them to come up with a battle plan of how to help them work on the things that need to improve, to equip them to be successful. Give them honest feedback on the things that are going well. And celebrate with them when a weakness becomes a strength!

It is a good idea to use this notebook to list the strengths and weaknesses of the pilot (you) as well. Develop a plan to work on weaknesses to make them strengths. Same applies to the shop building and equipment. Think of it as a pre-flight checklist, something you use weekly before your daily "flights."

Increasing Tenure

Interacting in this way can help ensure that the business runs smoothly and that most crashes can be averted. A lot of techs tell me they feel like a cog in the wheel and their opinions do not matter. These are the techs who suddenly give two weeks' notice and are gone, and we never knew there was a problem. Maybe if we had taken the time to be aware of their situation, perhaps with one-on-one weekly meetings, we would have given them the platform to give us a heads-up concerning a problem that we could have done something about.

I have also talked to a lot of techs who love their jobs and feel their opinions do matter, who do get a chance to meet with management or ownership so that their voice is heard.

Nothing can ground a flight faster than one or two key members of the crew leave and have to be replaced. Attitude controls our altitude, and I believe with constant and methodical situational awareness, we can all reach new heights with our businesses.

We do have a document that will guide you in setting up and facilitating these meetings and help you "look out the window." Take advantage of this limited time offer by simply going to www.ationlinetraining.com/2013-7. \mathbb{Z}



Chris "Chubby" Frederick is the CEO and founder of the Automotive Training Institute. ATI's 108 associates train and coach more than 1,100 shop owners every week. This month's article was written with the help of Rick Johnson, a successful shop owner. former ATI client and now coach at ATI.

≢=⁷ Email Chubby at cfrederick@autotraining.net

