OPERATIONS

PROFIT MATTERS

HOW DO YOUR NUMBERS LINE UP?

WANT TO GROW YOUR AUTO SHOP? COOK A POTATO FIRST

THERE ARE MANY WAYS YOU COULD COOK THAT POTATO. DECIDE WHAT YOU WANT FIRST, THEN MAKE YOUR PLAN — JUST LIKE IN THE SHOP.

BY CHRIS "CHUBBY" FREDERICK | CONTRIBUTOR

have been in business more than 10 years, you are well aware of how hard it can be to keep growing vour customer base. Our most successful clients spend a great amount of time focusing on growing their customer base in the hopes of simply stabilizing car count for their people. Last month, I overheard George Zeeks, who is our coaches' team leader, explain to a group of shop owners the basics of how to grow their shops. Many of us want to skip the basics or we never learned them in the first place, so let's hear what George had to say.

Try to remember the first time you bought a potato at the store. Everyone cooks them, so it has to be easy, right? The major problem is that they don't come with instructions. You can search Google or YouTube for what you need to know about cooking potatoes, but what if you didn't have that, or at least not as much information? Opening a new shop or trying to get yours to grow can be just as challenging.

So, as for that potato, you can grill it, fry it, boil it or bake it. Do you leave the skin on or off? My favorite is to core the center and insert cheese. Wrap the potato in bacon and, oh, remember to cut a small groove to put some butter in and then wrap in foil and cook on the grill. How do I know that? Trial and error. How do you run your shop? For many of you, it's the same way.



Working In It or On It?

I get it, you're a pro. You've been working on cars for years and doing your friends' and neighbors' cars for even longer. It's a huge difference when you actually open your own shop. Now there's no one paying you; you have to pay yourself. There are a ton of things you're just not prepared for.

You're probably better off not knowing how to turn a wrench. How many times have we been sucked into finding the lug nut key when a basic-level tech can't find it? The worst thing that you can do is go and find it for them. Now we have a \$50 head doing a \$10 head job. You're not an owner anymore; you're an entry-level helper. Do you think that a master chef is back there peeling the potatoes? There is no guide to help you know what you should do on a day-to-day level, so let me give you some tips.

You might be in a hurry to be successful, so you might want to microwave the potato. How and how long? The same thing applies to running your shop. The first thing to consider is what kind of shop you have and what kind do you want to have?



"WHAT KEEPS MOST SHOP OWNERS FROM GROWING EVERY YEAR? THEY ARE TOO INVOLVED WITH FIXING CARS AND CAN'T SPEND ENOUGH TIME ON GROWING THEIR BUSINESS,"

CHRIS "CHUBBY" FREDERICK [ATI CEO]

Take a step back and watch the behaviors that are going on in your shop. Regardless of what you want the shop to be, the reality of what your shop has become is demonstrated by your staff's behavior. Take a step back and watch your crew in action. Do the behaviors you see reflect the values and culture that you wanted? There is a huge difference between a repair shop, a franchise, a quick lube, etc.

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A huge thing to consider is what you are supposed to be doing each day to make your shop a success. Most of you have an idea, but the biggest problem is that you don't know what you don't know. Again, those of you who know how to turn a wrench will, inevitably, get sucked back into the shop. It's something that you know and are comfortable with, but it's not what is going to make you profitable.

You need to know what you have to do each day, day in and day out, to be a successful shop. You don't make much profit for just french fries, and almost anyone can do that. Unless you make the absolutely best french fries in town, then you are at the top of the heap. But if you want to be a shop that operates on a higher level, then you have to know what successful shop owners do, day after day, to get to that higher level and stay there.

I'm sorry. I forgot that some of you want the quick, easy and painless solution to the problem. You may want to microwave the potato. Well, it can be done, but you have to know how to do that, too. The major problem is that there is no easy, quick way to run your shop. It's hard work, and it might be hard to swallow for some of you. I get that you want to give great service and make all of your customers raving fans, but that takes hard work and a daily discipline that can be difficult for some.

The problem is not the hard work all of you work hard — it's the things you must do that are outside of your comfort zone. I can give you some of the answers here, with more in the attach-



ment you can request. But you might not like all of the things you need to do each day to be that shop that people know is one of the best. I have a client who was one of *Motor Age*'s top 10 last year, and I can tell you that it didn't come easy, but the rewards are great.

One of the most basic things is to reconcile the daily receipts in your point of sale system. That's like washing the potato before you cook it. It might seem basic, but some shops don't do it. Next, make sure you fix the problem that the customer came in for. I get it, it's basic, but a lot of shops still have a problem with that. A potato that's overcooked or undercooked is tough to eat. You only get the credit if it's cooked properly, just like fixing the customer's problem.

Another basic question that comes up is, are the margins right? Did you charge enough for the parts, and did you sell enough labor to keep all of the technicians busy and make a profit? Do you know what your labor inventory is? That goes back to knowing what type of potato we want to cook for our guests. If you are not using all of your labor inventory and not reaching your shop potential, then you are not maxing out what your shop can do. That results in lost profits and unsatisfied customers.

The Money Is in the Math

Do you even know what you expect from each day's production? If you don't know the math, then you are doomed to guess. The money is in the math, and those of you who don't want to learn it are doomed to mediocrity.

Another question boils down to are your customers happy? Do you know? Is it just a feeling, or do you have a consistent, repeatable process that will measure the experience that you provide?

If you want a checklist that will give you the guidelines to enable you to provide a profitable and satisfying customer experience, go to www.ationlinetraining. com/2013-11 to get a copy of our Leader's Operational Checklist. This is a limited time offer. After all, at the end of the meal, they don't remember how hard you worked, just the experience they had. Z



Chris "Chubby" Frederick is the CEO and founder of the Automotive Training Institute. ATI's 108 associates train and coach more than 1,150 shop owners every week across North America to drive profits and dreams home to their families. Our associates love helping shop owners who are having the same struggle as many of them have had, and who are looking for the same answers — and in some cases looking for a lifeline. This month's article was written with the help of George Zeeks, team leader and senior coach at ATI.

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