# **OPERATIONS** // PROFIT MATTERS

# How to sell the complete estimate in your shop

Sales hinge on the attitude of the salesman, not that of your customer

very shop owner in North America has witnessed their front counter staff going into a sales slump from time to time. If you don't catch it quick, the result is a severe drop in sales and gross profit. I was watching ATI coach Eric Twiggs teach his clients how to diagnose where the problem could be with their front counter. Eric began telling the story of a shop owner named Ted who has owned his shop for 30 years and is the face of the business. He had always been the only service writer and customers asked for him by name. With certain people, he would prioritize the ticket before they raised any objections, clarifying what had to be done in the current visit and what could wait until the next one.

He believed his longtime customers would keep coming back as long as he was there to give them the lowest price. This belief kept Ted at the shop working in the business and made him reluctant to recruit a service manager.

After coming to the first ATI shop owner's class, Ted realized the importance of working on instead of in the business and decided to hire Rick as his service manager. Ted's first order of business was to bring Rick up to speed on his customers' buying habits.

One of his patrons, Alan, dropped off his Ford F-150 requesting front brakes and oil maintenance service.

Ted has known Alan for over 20 years, and Alan never invested in recommended services beyond what he came in for. When the technician came back with an estimate that included lower ball joints, struts and a transmission service, Ted knew it was time to warn the new guy.

"I've known Alan for 20 years, so don't feel bad when he declines the additional work. He's got two kids in college and money's tight." Armed with this knowledge, Rick called Alan and presented the estimate findings.

The call only lasted seven minutes, so Ted was pretty sure of what happened. He went to console his new hire, but before he could say anything, Rick interrupted him with the following statement: "Everything has been approved, and the parts are on the way!"

The original work that Alan requested was around \$300. The final ticket came to \$3,100! Ted now understands the difference between his perception and the customer's reality.

The sooner you realize that your perception isn't always the customer's reality, the better you'll get at selling the complete estimate! Stay with me to learn three strategies that will help you embrace this mindset.

## Acquire the beginner's mind

I began my career as a service advisor in a tire store with no background in automotive. As a beginner, I consistently produced the best average repair order results in comparison to the other four advisors at the location.

They had been working on cars their entire lives and had worked at the location for an average of five years. What gave me the edge?

My lack of industry experience gave me the beginner's mind. My co-workers would always make one of the following statements: "The customers around here don't purchase additional maintenance;" "It's an election year and people aren't spending money;" or "Our area is different from the rest of the country."

My selling skills were average at best and not as strong as the other advisors. Since I didn't have any perceptions about the customer's reality, being new was my competitive advantage. In other words, I didn't know what I didn't know!

## WHILE MONEY IS IMPORTANT, THE MOST COMMON CONSUMER CONCERN IS RECEIVING VALUE FOR THE MONEY.

Think back to when you were new to the automotive industry. I'll bet there was something you were able to accomplish simply because you didn't know it couldn't be done. Since you didn't know what you didn't know, you were open to trying different things.

Noted author Shunryu Suzuki is quoted as saying, "In the beginner's mind there are many possibilities, but in the expert's mind there are few." Your business will change for the better if you present each estimate with the belief that anything is possible.

I challenge you to approach your



customer interactions with the beginner's mind so that you experience the possibilities.

### Leave your wallet at home

I was having a conversation with the service manager of a former client, who suggested that we lower his prices because he was losing customers. I asked him how many he'd lost and he said he didn't know. I asked how many customers had complained, and he said he hadn't heard any complaints.

I thought this was odd until I spoke with his shop owner. She mentioned that the manager was going through a divorce and experiencing some financial problems. And then it hit me. He was the one who thought it was too expensive, not his customers! He was selling with his own wallet.

The key is to know the difference between sympathy and empathy. Sympathy is when you feel compassion or express understanding for a customer's situation based on your perspective.

Empathy involves getting out of your own head and viewing things through the eyes of the buyer. This raises the following question: What do your customers really want?

According to a 2011 American Express Survey, 70 percent of the respondents said they would be willing to spend more money with companies that provide excellent customer service.

While money is important, the most common consumer concern is receiving value for the money. You will be positioned to deliver value if you leave your wallet at home and see things from the customer's perspective.

#### Change a bias to a benefit

Confirmation bias is when you use a singular event to confirm what you already believe, while ignoring evidence that tells a different story. Let's use our friend Alan with the F-150 to illustrate this point. You've installed the parts matrix at your shop, and Alan was the fourth customer you worked with yesterday.

If you suffer from confirmation bias, you will use the fact that he questioned your parts pricing as confirmation that the matrix doesn't work, even though the first three customers paid with no problems.

When shop leaders say: "My customers are complaining about the new pricing," I usually discover that it was only one or two people and not every customer. If you want to sell the complete estimate, use price objections as confirmation that you're on the right track. This will change the confirmation from a bias to a benefit!

If nobody ever questions what you

charge, it's because you aren't charging enough! This makes hearing objections a benefit, because they give you the opportunity to increase your profits and to improve your communication skills. The more objections you overcome, the better you get at overcoming objections.

# Checklist to remove sales slumps

So there you have it. Ted's new service manager has helped him to acquire the beginner's mind, leave his wallet at home, and change his confirmation bias to a benefit.

As a result, he's having his best sales and gross profit year ever. His sales have improved by 12 percent, and his gross profit has increased by 52 percent over the previous year! If you embrace these strategies, you will sell the complete estimate and have more money to put in that wallet you left at home!

If you are looking for a tool to help your sales staff sell the complete estimate, first you have to manage their sales process to see if they have fallen into any bad habits, which is easy to do. Every great sales person has an equally great sales manager to help them out of slumps. If you want to diagnose your front counter folks, you can download the ATI Sales Management Checklist to uncover the problem by going to www.ationlinetraining. com/2017-01 for a limited time. **ZZ** 



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