

ATI Shoptalk



Issue 4

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Upcoming Courses:

Shop Owners

July 30-31
August 1
August 4-6
August 25-27
September 17-19
September 29-30



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Leading A Manager To Water

By Chris Frederick & Senior Coach George Zeeks



In consulting with automotive shops across the country, I have talked to many owners and one thing is clear; when it comes to creating an environment for managers and staff to flourish, most owners just don't get it. As an industry, we have not stepped up to the idea that managing an automotive shop is a profession. Much of the population would rather go to the dentist than take their car into a shop for work. Many think that as an industry, we score just above a collection attorney. I certainly do not believe that stereotype is real nor deserved and most shops are fair, trustworthy and professional. For now, let's discuss what we need, so our staff has the right environment to grow and be the type of managers that we need in the industry.

Leaders lead and people will follow a dynamic leader. I'm not saying you have to be a General Patton. There were many people that followed Gandhi, and I don't think that he yelled much. Leadership is a frame of mind and needs to be built within ourselves and our managers. The old phrase is "the speed of the leader is the speed of the crew" but the standards have to be set

so that everyone knows what speed is expected of them. Guidelines need to be set so that all involved know what they and the shop should be achieving.

Often, I have spoken with owners that are unhappy with their managers but the managers are unaware of the real issues. Too often, "seagull owners" swoop in and unload on the manager and he in turn unloads on the employees. Clear-cut goals, standards & expectations that have been developed with the involvement of everyone in the shop eliminate this negative behavior and create the proper environment.

PRaise YOUR MANAGER

We need to praise our employees but we fail, many times, to listen. Almost everyone invests some amount of their self image in their job. Praising our managers when they do well, teaches them to praise the staff and that positive feedback increases the positive self image everyone gets from the job. Make people care about their job and watch how the results grow. When we do have to correct some action or behavior, do it in private.

The need for positive correction is essential to grow a manager. If you are candid and honest with them in an effort to help them grow, they will love you. If you save it all up for one annual review, they will hate you because you gave them the feeling during

the year you were happy with everything they did. What you want from your manager may not have been what was important at their last job, they might not even know what you want and that is totally your fault. When there is a lack of clear-cut expectations, most people will perform based on the expectations they have come to know in the past. Have you given them the tools needed to measure the performance of the shop? Do you measure and set standards for daily sales, technician productivity, and customer satisfaction? If not, how will they be able to give you the results that you need or want? If you are reading this and are not sure what I am talking about, then you need guidance to become the leader first. Don't worry, it is not a disease and even CEO's of the biggest companies have "coaches" to help them through. I have been using a CEO coach for the past two years and my personal growth has benefited tremendously.

PAY THEM CORRECTLY

A tough topic for many owners is how much to pay a manager and set up the pay plan. A set salary, without any incentives, will not reward the best managers and will encourage apathy. Not many people are money motivated but money does help pay the bills. A pay schedule based only on sales can result in

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high sales but low net profit. Too much emphasis on sales can lead to discounting and an unprofitable shop. In addition, never talk about Average Repair Order (ARO) unless you include shop productivity, car count and margins. If you want \$500 per car, any manager can do that, but they will turn away the oil changes and new cars that are the seeds of the future. A pay plan that rewards sales and gross profit margins, along with customer satisfaction bonuses, will result in a profitable shop with happy customers. The owner needs to know how much they need to be able to make from the business to keep the shop running and provide their expected return on investment. Remember that you have to provide a "Living Wage" for the area that you are in. If the shop is not producing enough to be able to do that, then you cannot afford a manager yet. The right pay plan is just one more way that we can help motivate the manager & the staff to produce the "exceptional" experience that will ensure that customers return and bring in new ones.

LEARN TO LEAD

Managing a current staff, creating a new staff or acting in that management role yourself, is a complex blending of many disciplines. The most important issue to resolve is to provide a clear vision of where you want to be. The tools that you will need to get there, the training that you will need to provide or learn yourself, & the shape that your organization will take; all depend on your ability to lead. Your leadership, with compassion and uncompromising attention to the goal is what will make the difference in your organization. You have an opportunity that most people do not appreciate; you are shaping the lives and futures of those around you. I advise you to lay the groundwork for your success and for those whose lives you touch.



You Perhaps, Not The Economy?

By Brian Canning



I am glad to report to you that many of the clients I talk to are having great years. In fact, they're having 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'd love to tell you that this was due to great coaching, but the truth is, that he is 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 selling maintenance. I would not describe his selling tactics as aggressive, but I would describe him as being very interested in making sure his customers are taken care of and that includes making those recommendations for service. He has the advantage of having a high volume tire store, which provides an increased opportunity to build great customer relationships.

His willingness to recommend maintenance are keys to his sustained success. Someone 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. Don't these people know there is a recession? Doesn't this shop owner watch TV???

In this current economic situation, my impression is that there are more selling opportunities and willing customers than we have seen in many years. I base this on the incredibly strong numbers I am seeing from

across the country and based on conversations I am having with these shop owners. I would not attempt to deceive you by saying everybody is having a great year, but I would say that those shops that have stressed customer service and enjoy good customer relationships are all holding their own and most are having incredibly strong years. Further, I say that 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 have always done courtesy checks & I am guessing always will. Some of these shops saw the potential for a slow down in the economy and have only recently come to try courtesy checks, including the appropriate maintenance recommendations that are a big part of it 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 breath life into the relationships they had previously taken for granted and finding that despite the inattention over the years, their customers still love them and are willing to nod their heads.

If I had one bit of advice to pass on to you, it would be either stop watching TV or refuse to believe the economy is affecting your business. The second you allow a TV commentator or anchorman to convince you that you have no possibility of being successful in this economy, you will stop doing the things that will assure your success & survival. Worse, you will convince your staff, particularly the technicians, of the same thing and instead of carefully checking each car, they

will stop seeing the use and stop seeing the repair and service opportunities that are there. You might as well close your doors right now. Your customers are no different. If you accept their reservations and fear in the economy and make no attempt to give them hope or reason to believe, they won't. I promise they won't buy. Every day you need to find ways to loudly thank the automotive gods that have sent you this economy. When you do the things you should, that appreciation will not have to be feigned.

It comes down to leadership. If 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. You cannot accept the economy as an excuse to be half assed and inconsistent or a reason not to talk to your customers about maintenance. Your technicians must be willing to do courtesy checks and make 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 that need our help.

I read this morning that every major car manufacturer in the country except Honda posted huge declines in sales for May and that June is apparently trending to be much worse. If people are not buying cars than it would stand to reason that these vehicles will need to be maintained and 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?

ATTENTION SHOP OWNERS AND MANAGERS:
If you have something you would like to share,
e-mail your coach or ATI at
office@autotraining.net.

Building A Bond With Your Employees, Pt. 2

By George Zeeks



The first four steps that we have already covered are what set the foundation for the next three steps. It is important

that all of the steps are followed in a sequence without skipping forward. It begins to form the basis of the relationship between you and your staff. The first step of being confidant and positive sets the entire stage for everything to follow. If you the owner are negative and unsure of yourself, you need to work on your own abilities and issues before you can successfully bond with your employees. We left off last time on the step that involves constructive criticism, so let's revisit that step to keep the flow going.

5. Constructive Criticism: We have all heard that we need to sandwich our criticism when we are counseling our employees. Positive, Negative, Positive. Almost everyone has heard it, or read this concept somewhere but so few people put it in practice on a daily basis. Starting with a positive statement lets the person know that we see the value and potential that they have. It is what makes the process constructive. The negative part of the conversation is also, many times, improperly handled. It is important that the employee understands what the problem is and accepts ownership of what went wrong. Then the employee has to identify what the solution is to the problem. Finally, the employee has to develop the time frame in which the solution can be accomplished and commits to the changes needed. The employee must take ownership of all three steps, they must

verbalize the ownership and they verbally commit to the solution of the problem and the time frame for resolution. It is not enough for you to do the talking and have the employee agree. This has to be a 2 way conversation or it ends up being something very close to your mother nagging at you to pick up your clothes. You may have gotten to say what you wanted and you may feel better about it, but the clothes will soon be back on the floor yet again. Once we have had the conversation, we



are both committed to solving the problem & have set a time frame for correction. We then need to reestablish the employees self worth and most importantly that you value them & their potential. If your employees do not feel that you value them and their hard work, then you have lost your place as their leader.

6. Stress & Release: Everyday in the average workplace, there are times where people are in stressful situations. It is important and valuable to pay attention to when this is happening. This is one of your greatest opportunities to help bond that employee to you. You may even go so far as to put that person in the situation just to be able to come and help them. To have someone in an emotionally stressed state and then be

able to come, with a positive attitude, help them through it, and praise them for how well they have been able to deal with a tough time, will reinforce the positive self image that they will receive from you. It is important not to overuse this technique or you may find that you end up doing their job for them too often. The idea is the intermittent positive feedback will increase their connection to you and those around them. This can be a very dangerous situation for some owners, the possibility of deskilling yourself and the employee is very high. If you "bail them out" too often, the employee will begin to see your help as part of your job and his. If an employee comes to expect that you will come to their aid whenever they need you, then they do not feel the sole responsibility for getting the job done. They have become less productive and skilled and you have brought yourself down from working on the business to being an active part of the production process. One of the biggest keys is that you come to their aid unasked. It is not expected or required and that is what makes the process effective in helping to build that bond.

7. Seek Their Opinion: There are few things that are more positive than seeking the opinions and feedback from those who work for you. Choose carefully what areas that you talk to them about. It must be relevant to their job and position and they must have enough information/understanding to provide feedback in a constructive manner. This continues to empower the employee and increases their feeling of your appreciation for them. One example in the automotive field is to ask the employees for their

input on the courtesy check form that you are using in the shop. This helps to give them a sense of control over their daily lives and the shop in general. It is important that we involve our employees in the business and some of the decisions. Everyone invests a certain amount of their self image in their job. Seeking their opinion on some of the things that affect them everyday and putting some of the input into play helps to drastically increase that investment and will benefit both of you in the long run.

The seven steps listed above are designed to help you as well as your staff. If you are not already doing most of these things, then you must make a concentrated effort to start now. If this process seems calculated, it is. It should not have to be and with time and continued effort it will become natural for you. Many times, I have heard from owners, how hard it is to get and keep good employees? My question back to them is; "what are you doing to make the people you have better employees and better people?". We have to be willing and able to give more than just a paycheck to the people that work for us. I almost included training as one of the steps but this should be done on a regular basis. This will help build the business and the bench of employees, which will increase the overall potential of the business.

These steps are for you, the owner, to become a better leader. Leaders are not often born but are trained or train themselves to accomplish great things, but rarely do they achieve worthwhile goals by themselves. Leaders that help those around them fulfill their potential build great teams, great companies and great people. Step up and lead!!!



Advanced Owner's Class Fishing Trip

By Chris Frederick

As you may already know, Chubby takes all of the advanced classes fishing in the Chesapeake Bay each season. This quarter, Chubby and Coach Dave Derbin, took two boats out of Mill Creek in Annapolis, MD. Fishing in the Chesapeake Bay has been exceptional in 2008.

Among the lucky clients were, Mike Valentine of Twin City Auto Care, Lisa & Jr. Bailey of Express Auto Center, Dave Wastler of Wastler's Automotive, Jeff Ruffing of Ruffing Automotive

Services, Chris & Laura Hayes of Red Ridge Auto, Alex Curtis and his service manager from Phoenixville Tire.

Lisa Bailey (*pictured right*), was kind enough to take pictures of the fishing trip. Lisa had the largest catch of the day.

Chubby takes clients fishing 4 times a year after each advanced owner's class to motivate the owners to finish school. On average, ATI clients that enroll in more classes do better in the re-engineering program.



Seven At the Top, *Congratulations To All!*



This Month's Winners are:

Gary Luscher

20 4th Avenue
Hawthorne, NJ 07506
Richmond, VA 23237

Paul and Terri Brauning

Brauning Automotive
10734 Courthouse Rd
Fredericksburg, VA 22408

Mike Parker

Park Automotive
5109 E. Speedway
Tucson, AZ 85712

Andy Tilton

Tilton's Automotive
6568 N. High Street
Worthington, OH 43229

Jim Luper

Luper Automotive
110 16th Street
Lewiston, ID 83501

Mike Bennett

Mike's Kars Inc.
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