

ATI Shoptalk



Issue 6

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Upcoming Courses:

Shop Owners

November 18-20
December 2-4
December 14-16

Service Managers

November 30 - Dec. 1
December 7-8

Advanced Shop Owners

December 9-11



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Toxic Employees

By Chris Frederick



Over the past 4 decades, my passion has been helping shop owners grow. I believe profit matters and trying to make 20%-30% cash profit is a necessity, not a luxury. Most shop owners get in trouble when three problems appear at the same time. Most of us do not get in trouble with one problem, but with a combination of multiple problems. A toxic employee is defined as one that pollutes the entire business and creates multiple problems in the blink of an eye. These problems can be very expensive to correct and without a fat savings account, you may not be capable of proving your innocence.

One of the ways I try to stay personally connected with our industry is through my own group of 20 of the very best shop owners in North America. We hand pick them from thousands of our weekly coaching clients. At our last meeting, one shop owner, Eddie Cleveland, shared his recent experience that could have been a disaster to his business if not handled correctly. Eddie said after twenty-six years in the auto business, if there is one thing he learned, it's that there are times when nothing seems wrong, but sometimes

that's the problem. All may seem well, and that very well may be, temporarily, but you never know what may be lurking in the future. Now I'm not saying that you should always be looking for trouble, but don't fool yourself.

Toxic employees are out there, and they come in all shapes, sizes, colors, and genders. The worst kinds are the perfectly good employees gone terribly wrong because they've already worked their way into your business, payroll, and daily routine. Everything seems fine, and then one day they peel off their skin and you're left to face some slimy monster from your worst nightmare. So what can you do to protect yourself? You need to learn how to spot them, how to arm yourself against them, and what to do when you've failed with the first two steps and you are in over your head.

Look for Unhappy Employees

Toxic employees can eat away at you fast. They ruin job performance and morale for everyone and before long, your business will start to suffer. There are some warning signs to look for to help prepare you. You should look for employees that seem to be increasingly unhappy with their situation, whether it's at work or at home. Are they beginning to come in late and leave early? Do they chat with colleagues about problems with their spouse or complain about their job? Are

they making excessive phone calls? Do they seem depressed or distracted? These are the signs of a good employee gone sour. They may move beyond their problems, but be aware of the situation, as their bad attitude can quickly make for a hostile work environment.

When you have an employee like this, you may want to take some time to talk with them. What is bothering them? If it is something work related, can the problem easily be solved? If not, what can you do to make the situation better, if anything? If the problem isn't work related, there isn't much to do if your employee is carrying stress & depression from a home issue around with them. Let them know that you are there to talk, but that you expect them to carry out their duties at work without having a bad attitude or negatively affecting the work of others. If the problem is work related, do what you can to resolve the problem or reach an agreement, but let your employee know the boundaries and what you will not tolerate.

Diagnosis and Act

Despite your best efforts, some toxic employees are too far gone to save. If you don't handle the situation, your business will soon be under attack. Some toxic employees are rather smart. They know the law, or think they do, and they'll use everything they can against you. This is why

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you've got to get smart. I had to learn the hard way.

For one year, I had what I thought was a good office manager. This person was fast, efficient, and organized. When hired, this particular employee let me know that she did not need or want health or dental insurance. She asked that I pay her more and omit these benefits. I thought the idea over and it seemed fine to me. After all, I could pay her several dollars more and come out better considering the cost of insurance is so high. Everything worked out fine until a year later, when this employee came to me and told me she needed insurance. I reminded her of our prior arrangement and she immediately said the word "legal" and started throwing it at me. She pointed her finger at me and said, "You legally have to." I told her that we didn't want to start tossing around that word. I explained that we should think about it over the weekend and discuss it the next Monday. That Monday, I received a call from EECO (Equal Employment Opportunity Commission). Within 1 week, I received a letter from the local EEOC. I immediately realized my mistake. I hadn't gotten anything in writing. I took this employee aside and told her that I would give her insurance, but that she was going to have to take a pay cut.

Seek Legal Advice

Punishment, she said. I was punishing her for asking for what she legally deserved. Again, the word "legal" reared its ugly head. I knew I was going to have to be very careful about how I responded to her. When she decided to report me for sexual discrimination, without reason, I decided I needed a lawyer, and a good one, one that knew my state's laws.

Once you're in too deep, and the situation has gotten out of hand, what can you do? When faced with this type of

employee, you need to make sure you've researched your state labor laws. Are you doing everything you can to make your business safe legally? Do you have cameras where they need to be? If it comes down to it, have you hired the proper lawyer? At this point, you don't want to be cheap. Your future and business depend on your course of action. Once I hired a lawyer, I realized that I didn't even have enough employees to be legally penalized for this false accusation of sexual discrimination in my state. Educating yourself is the first step to protection against toxic employees.

This is also true of the laws that govern the way your business should be run. My second experience was with a toxic employee who also left on a bad note due to the fact that she wasn't doing her job properly. Just to get revenge, she called the EPA and made false accusations against me for improper handling of waste oil, antifreeze, and tire disposal. Again, I came out in the clear, and nothing she accused me of had any truth behind it, but her phone call caused me a lot of headaches and wasted time and money. Waste Water Management, the EPA, and the tire disposal authorities were knocking down my door all because of this toxic employee; but because I knew the law and I was taking care of my business properly, her accusations fell short.

Educate Yourself

I can't say it enough. Educate yourself. Be aware of what is going on within your business' walls and do your best to resolve problems, but know when to say enough is enough. Take care of things before they get out of hand and rest assured that you have followed the law, protected your business, and become that much better at handling it for next time. Most likely, there will be a next time



Production Potential

By George Zeeks



One of the main problems that shop owners and managers run into is the ability to predict and forecast the

staffing needs for the future and sometimes even the present. The following formula will help you be able to break down what our production ability is now, where it should be, and what we need to change to get there.

Let's start with our current measurements. We know what our car count is, on average, for the month. We also know how many hours we are selling, on average, for the month. We can use this to determine how many hours we are selling per car.

Ex: We have 50 cars (avg) and 100 hours (avg)
 $100 \text{ hours} / 50 \text{ cars} = 2 \text{ hrs sold per car}$
 $\text{Hours} / \text{cars} = \text{hrs sold per car}$

If we take this information and expand it a bit, we can see where we need to be to make our shop more efficient. Take the number of technicians in the shop and the number of hours we can reasonably expect them to turn and this will give us our current production capability based on current staffing.

Ex: 1 "A" tech	= 50 hrs
1 "B" tech	= 40 hrs
1 "C" tech	= 30 hrs
1 "Entry" tech	= 20 hrs
	<hr/>
	140 hours

• These are based on a 40 hour work week with no overtime*
 In order to hit the 140 hours sold number, we need to make some changes to one of the sections in the equation. We either need more cars, more hours sold per car, or we need to make adjust-

ments to the staffing model to be able to maximize the profitability and labor margin in the shop.

Ex: $140 \text{ hours} / 50 \text{ cars} = 2.87 \text{ hours sold per car}$
 OR $140 \text{ hours} / 60 \text{ cars} = 2.33 \text{ hours sold per car}$

In the above examples, we have seen that to reach the hours needed by our current staffing model, we need to change the number of hours sold or the number of cars, or both. The seasons change and so does the automotive industry, so we need to continue to look at this each month so we can see the trends that are approaching. This will enable us to be proactive and anticipate the actions we will need to take to be able to maintain profitability. If we see that the car count is dropping due to a certain time of year, we need to adjust our marketing to help ensure that we have the number of cars needed.

If we see that we have a large gap between the number of hours that we should be able to produce by staffing and we can see that we cannot get there, then we need to make adjustments to staffing. One way to increase the ability to raise the labor hours sold is to take a hard look at the courtesy checks and see if the owner/manager is allowing substandard checks to be accepted at the counter, thus lowering our ability to present the needed items and the potential for increased labor hours sold.

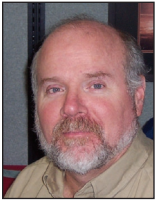
All of these items are interdependent and should be used with the labor margin, productivity % and the courtesy check % as additional guide lines to identify potential bottlenecks.



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

Responsibility As A Prerequisite To Leadership

By Brian Canning



One of the greatest challenges facing shop owners & the Service Managers I talk to is in their taking on the role of leader.

We can have the very best of intentions, the most thoughtful of business plans but until we are willing to lead our people, little of substance is likely to be accomplished. The automotive industry, in all of its facets, is decidedly challenging and unforgiving. Creating the perfect shop process will not make your people follow it and will not make sure your standards are met. Only leadership assures the quality of the effort. You making it happen.

Many months ago, as I watched the two Generals most responsible for the medical care and rehabilitation of wounded soldiers returning from Iraq, I was struck by the contrast in their willingness to be accountable for the failures that had occurred at Walter Reed Army Medical Center. In preparing to speak before the Senate, the current commander, who had only recently taken on these huge responsibilities, turned to several of the veterans and family members and apologized for what had come to light in the newspapers and evening news. In testifying, this senior officer was obviously shamed by what had occurred on his watch and took responsibility for the command failure that allowed these returning troops to suffer the neglect and mistreatment they experienced after returning wounded from war. There was little attempt on his part to defend or make excuses for what would seem inexcusable

and he accepted the censure and criticism correctly leveled at him. He was responsible and accepted that. In sharp contrast, his superior and the previous commander, who was most responsible for the deplorable conditions, did everything to deflect and reassign any blame that came at him. At one point, when pressed hard to explain the squalor that wounded soldiers were being forced to live in, he asked in exasperation "What would you have me do? I assign



tasks and responsibilities. As a commander, I have to assume these sub-commands & commanders are doing the things I have asked them to do. I don't see that there was anything else I could have done!" Maybe it's because I am a veteran, but I was horrified to hear him say these things and attempt to deflect his responsibility. Would he be taking the credit if the facility was being praised for extraordinary performance? In blaming his team (sub-commands) he reminds me of a basketball coach who blames his players for the loss and accepts no responsibility for the team's failure. His players didn't do what he had asked so in his mind they are responsible. Leadership without real and tangible accountability and responsibility is a facade without support or substance.

Leadership goes beyond

rank or position, is both in the appearance and in the exercising of authority in the accomplishment of tasks. To those that would take on a task come the expectation of success and the weight of that responsibility. A leader's job is to lead, assign tasks and succeed. And it's that succeed part that will get you every time. Leadership is all about success. Within legal moral & behavioral bounds, it doesn't much matter how you get there, as long as you get there. It doesn't matter if you are promoted into a position or arrive there by default, you are paid and responsible for shouldering the load, involving your staff members in the effort and making it all happen. As a business owner, you might get to define the "it" but the load is just as heavy and success might be the difference between hamburger and steak. Leadership demands as much of you as it does your Service Manager or that General. Will it be steak or hamburger on your plate tonight?

I would say that most clients that pass through the re-engineering program here at ATI get to hear about the courtesy check process more than anything else. The most basic item in our toolbox is the one most of us coaches get to talk about again and again and again, and this for the simple reason that most of the managers and even a good number of the owners think that our failure to do more or better courtesy checks is bad technicians. That we have done our job in establishing the policy and any failure from there on must be the technicians just not listening or too stupid to get it right. It is a genuine revelation to most of these managers



and owners that a great inspection process, including full implementation and compliance is entirely a leadership function, entirely dependent upon training, direction and oversight. Technicians might grumble but will always follow the leader.

In becoming a leader it is essential that you take on the role in ways and in practices that you can be comfortable with. Asking Patton to be Gandhi or Gandhi to be a Patton will not work. Before you have any chance of getting your staff to believe in you and what you are doing, you have to believe in it yourself. You need to be comfortable in that role or willing to grow into it. This is a tough journey without a doubt but you get to select the destination, choose the players, do battle on your terms and risk destruction on your way to that ultimate success. Isn't that worth the risk? To flounder along as you have been would not seem to be an option and it is far too late to turn back. Most important here is that you take on the role, decide where you are going and put that first tentative step forward. There is no doubt that there is someone waiting to stomp on your foot but it doesn't matter, it's time to go.

Like justice, leadership is one of those things that needs to be seen, heard and felt and in every way possible, evident. It involves commitment, accountability and a willingness to make unpopular decisions. It need not be lonely but it is solitary in blame and responsibility and decidedly impatient of success. Not for the faint hearted or shallow, leadership is a rock; reliable, steadfast, substantial, and strong. It's 9:00 o'clock; do you know where your techs are?



Sam's Corner: EXTRA! EXTRA! Mark Your Calendars! Super Conference 2010 - Marco Island, FL, March 17th-20th

By Karen Dee

You won't want to miss the 2010 Superconference at the Marriott Beach Resort Golf Club and Spa in beautiful Marco Island, FL. Marco Island is the largest of Florida's Ten Thousand Islands, located on the Gulf of Mexico in Southwest Florida. The Marriott is beautifully situated on three miles of pure white pristine beach front.

Our event starts with a Welcome Reception followed

by one full day of meetings, and then 2 half days of meetings. Half day meetings allow everyone to go out and enjoy their afternoons on Marco Island. The many activities include anything from Everglade tours, fishing, playing golf, catamaran sailing, dolphin tours to just sitting by the pool relaxing.

We promise to have an exciting agenda with special guest speakers and our famous

round table discussions. And back by popular demand – ATI's 2nd annual Beach Olympics. Make sure you join us in March 2010 to learn about the latest industry trends and reunite with old friends and meet new ones. Warm temperatures, balmy breezes, sunny skies & beautiful sunsets are the norm for Marco Island. Welcome to Paradise!



Seven At the Top, *Happy Holidays To All!*



This Month's Winners are:

Dwight Foster

Fosters Automotive, Inc.
117 E. Strawberry Ave.
Mechanicsburg, PA 17055

Garland McClung

Bad Rock, Inc.
2701 Mountain Glen Ct.
Woodland Park, CO 80863

Fred Arnold

San Rafael Firestone
1001 Irwin St.
San Rafael, CA 94901

Tom Harvey

Hollin Hall Automotive
7926 Fort Hunt Road
Alexandria, VA 22308

Frank Palange

V&F Auto
443 Springfield Street.
Agawam, MA 01001

Lee Weatherby

Accurate Automotive
441 S. Robson Ave
Mesa, AZ 85210

Ron and Dennis Poirier

Bob and Sons Automotive, Inc.
321 Kelly St.
Manchester, NH 03102



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