



# Fixed Operations Digest

## August 2014

### In this Issue

- **Larry's Ramblings**
- **Service Repairs on Older Vehicles up 40%**
- **Skills X Motivation = Results**
- **Fixed Operations Manager College Courses**

***"Failing to prepare... we are preparing to fail"***

**-Author Unknown**

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### **Larry's Ramblings**

When my wife Dee asked our financial adviser recently when I might be able to retire, he responded, "From what I can see of your husband's lifestyle and work habits, he's been retired for at least five years. Haven't you noticed?"

### **Service Repair Market for Older Vehicles is up over 40%**

Older Vehicle Repairs are driving dealership service and parts growth with the average age of a vehicle on the road today at over 11 years old customers are more than willing to invest thousands of dollars to keep these older vehicles running. They can afford to spend thousands on their vehicles because they paid the vehicle off two or three years ago so they are not making monthly payments now and their financial situation won't allow them to finance a new vehicle. It is very important that your service manager monitors repair orders written by vehicle age so you can prepare your employees to help them sell service and repairs on these higher mileage older vehicles. If you want a complimentary copy of E&A's 100 R/O survey that tracks vehicles written by year model send an email to [larry@edwardsconsut.com](mailto:larry@edwardsconsut.com) with the tag line 100 r/o survey.

Many Service Consultants have a paradigm about customers driving older vehicles. They feel these customers cannot afford to pay for the needed repairs... If your Service Consultants have this belief the Service Manager needs to start sharing with them every time your shop completes a several thousand dollar repair order on an older vehicle. You must convince your staff that these customers do have money to spend. Once they see for themselves that these customers can and will spend money you can start getting your share of this expanding market.

### **Are you motivating your employees to perform at their very best all day every day?**

One thing many managers forget is that they must provide constant and consistent motivation to their employees. The formula for management performance success is:

#### **Skills X Motivation = Results**

This is a very simple formula but let's take a look at the math here. Let's say you have a highly skilled technician on a scale of 1 to 10 this one is a 10. However because the manager believes with all these skills they do not need to spend a lot of time motivating this individual. So, because this employee lacks the proper motivation to operate at his best on the motivation scale this employee is a 2. Let's do the math;

$$\begin{array}{r} \text{Skills} = 10 \\ \times \text{Motivation} = 2 \\ \hline \text{Result} = 20 \end{array}$$

Now let's look at a marginal entry level employee one that is just out of trade school and one who is really excited about this new career they are on. Their skills are marginal at a 5 but their motivation is better than the highly motivated technicians and they are at a level 5 on the motivation scale.

$$\begin{array}{r} \text{Skills} = 5 \\ \times \text{Motivation} = 5 \\ \hline \text{Result} = 25 \end{array}$$

What happens when the manager provides the proper motivation that every employee needs? Let's look at a scenario where the technician is a 10 on the skill level scale and they are a 10 on the motivation scale.

$$\begin{array}{r} \text{Skills} = 10 \\ \times \text{Motivation} = 10 \\ \hline \text{Result} = 100 \end{array}$$

As the formula clearly shows it is just as, if not more important, for managers to ensure that their employees are motivated to do their very best every day. Here are three suggestions to make this happen;

1. Make sure a vehicle is in every stall every day with the parts pre-pulled and ready to start. This will set the tone for their entire day.
2. Spend the first hour of every day in the shop and in the service lane. Get involved, help dispatch, jockey cars make sure everything is running smoothly. And most importantly make sure your writers have the right attitude.
3. Follow the Dr Pepper Rule. Remember the Dr Pepper Rule "Have one at 10, 2 & 4." Get out of your office every day at these times and meet with your key employees look at work in process and make sure that there are no bottlenecks. Use this time to recognize superior performance, be sure to give them a pat on the back when they deserve it. And, if they are not doing a task properly, show them the proper way to do the task.

Losing teams are almost always a result of the coach not managing the team properly. Businesses always strive to hire the very best employees they can find. Hiring great employees is only one half of the equation.

*Motivating employees to be the best they can be is the reason why we need managers!*

## **If you want more Profit in your Fixed Operations... Enroll your Manager in an E&A Fixed Operations Manager College Course**

If you have not participated in one of my Fixed Operations Manager College Courses or if you need a refresher, then I have some upcoming classes you need to take time to attend.

### **Upcoming Schedule**

#### **East Coast Courses**

1. Parts Manager College Course - August 12-14, 2014 - Charlotte, NC - [Enroll Today](#)

#### **Canada Courses**

- **Canadian Collision Course (for Ford Dealers Only) - \*Must Attend Both Sessions-Enroll Today**

- Canadian Collision Manager College Session I - August 21 & 22, 2014 - Calgary, AB
- Canadian Collision Manager College Session II - October 23 & 24, 2014 - Calgary, AB

#### **West Coast Courses**

- Parts Manager College Course - September 16-18, 2014 - Las Vegas, NV **[Enroll Today](#)**
- Service Managers College Course- October 28-30, 2014 - Las Vegas, NV **[Enroll Today](#)**

Fall Fixed Operations Master Mind Continuing Education - October 2 & 3, 2014 - Charlotte, NC - **[Enroll Today](#)**

**For more information on these courses,  
please feel free to get in touch with us.**

**1 (800) 708-7587**

**or email**

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### **Executive Learning Resource for Top-of-the-Line Fixed Operations Managers or Those Who Want to Be**

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