



Fixed Operations Digest

December, 2014

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Larry's Ramblings

I have been reading about Quantum Physics and have discovered that scientist who are on the leading edge of this field experience the same "push back" to their work that my consultants and I often encounter in our work helping dealerships become more profitable. Many people and a lot of scientist believe that Quantum Physics research is an exercise in futility. Of course this is exactly how people felt about Nikola Tesla's invention of alternating current electricity. He was ridiculed for developing a "dangerous" form of electricity... One that would kill people! Thomas Edison (the inventor of "Direct Current "DC" electricity) spent a large amount of J.P. Morgan's (Edison's investor) wealth to convince the world that alternating current was dangerous, he even financed the development of the electric chair to show the world just how dangerous alternating current was.

Telsa was so distraught over Edison's campaign against him and his alternating current invention that he gave his patent rights to alternating current to George Westinghouse, (yes the Westinghouse) and the rest as they say is history. By the way, Telsa was also certain that Quantum physics was real! Here are a couple of quotes scientist who are researching Quantum Physics have made.

"All truth passes through three stages. First, it is ridiculed. Second it is violently opposed. Third it is accepted as being self-evident."

-Arthur Schopenhauer

"We all agree that your theory is crazy. The question that divides us is whether it is crazy enough to have a chance of being correct."

- Neils Bohr, Nobel Laureate & Quantum Physics Pioneer

I have been hearing similar quotes about my theory on dealership management for the last 25 years. Of course, I only hear these quotes from those managers who refuse to accept that the way they are managing their department is wrong. In every case, it is not their fault that their department is losing money. It is because the dealer is charging them too much rent, or the customers in their market area are simply too cheap to pay the exorbitant prices their dealer forces them to charge, or they just cannot find good help in their market!

LITTLE THINGS COUNT THE MOST

I was standing in the service lane with a highly successful service director a few months back. I congratulated him on having a large staff of greeters standing by to greet customers upon arrival to his service lane. He looked at those seven greeters sitting in their chairs waiting for the next customer to arrive and he pointed out to me that it was costing him over \$100.00 per hour for all of these people to be "sitting" in those chairs.

I asked him if he remembered how much profit his service department was making before he hired the greeters and he said sure, he was generating around \$100,000.00 per month in net profit. And, how much profit are you generating per month now that you have added "all these greeters"? We are averaging right at \$200,000.00 per month profit now he answered! I rest my case!

It truly is the little things that count. Emirates Airlines has better first class cabins, better first class lounges, and newer airplanes, but Air France has better service. They drive you in a BMW to your connecting flight and escort you from your last plane, to the lounge, to your next plane. These are small but high-impact gestures, with relatively little investment, but they reflect a truly caring company.

What are you doing in small ways at low cost to demonstrate how much you care about your customer's needs? What are you doing to

anticipate your customer's needs?

Forget expensive web sites or software programs that are "guaranteed" to increase your profits. Think instead about proactively providing value and anticipating what would truly delight your customers and prospects. If dealers and managers would spend less time searching for the next best service write up tablet or the next best service inspection program or the greatest marketing ploy ever developed and spend a lot more time asking their customers "what would make them happy" we would never need to do another service satisfaction survey!

Retail Counter Parts Sales up 400 Million in 2013

Source Lang Market Research © 2014 LANG Marketing Resources, Inc.

Vehicle Dealers Hit DIFM Rebound

After suffering significant DIFM annual product decline between 2007 and 2013 (totaling over \$2 billion), Dealers turned the DIFM corner in 2013, boosting their bay product sales over \$400 million for the year.

Evolving Internet Use by Automotive DIYers

"Over six-in-ten automotive DIYers integrated Internet use into their DIY activity over the past six months, and that use is growing. Automotive DIYer Internet involvement varies by gender, age and region of the county. Over 60% of DIYers Use the Internet. Among consumers performing DIY automotive work over the past 6 months, approximately six-in-ten (61%) used the Internet in various ways to augment their automotive Do-It-Yourself activity.

Repair Information (How To)

The most common Internet use by automotive DIYers is finding how to conduct specific repairs. Nearly eight-in-ten DIYers using the Internet (79%) accessed YouTube and other Internet resources (including subscription services) to guide them in their repair activities during the past 6 months. Many automotive DIY videos on the Internet are professional quality, often addressing individual vehicle makes and models for specific repairs.

Pricing Information (What Price)

Auto parts price shopping ranks third among automotive DIYers using the Internet (just under 70%). Age and gender differences driving Internet price shopping are being analyzed by Lang Marketing and will be covered in an upcoming Lang iReport. Auto Parts Purchase Source (Where to

Buy). Just over half of DIYers using the Internet (52%) seek information about where to buy auto parts both in terms of online sources as well as bricks and mortar parts outlets. Consumers often make "where to buy" decisions based on how soon they need specific parts as well as the price and availability of automotive products from various sources.

Internet Auto Parts Purchases (Buy It)

The purchase of auto parts through the Internet was the least frequent Internet activity among automotive DIYers over the past 6 months. Fewer than one-third of DIYers using the Internet made automotive DIY purchases through the Internet between May and November. Not all automotive Internet purchases are from online companies. In fact, a substantial portion of Internet auto parts orders are placed by DIYers with bricks and mortar outlets.

Want more Profit in your Fixed Operations...

Enroll in an E&A Manager College Course Today

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 attend.

Upcoming Schedule:

- Advanced Service Consultant Selling Skills Course December 17 & 18, 2014 Charlotte, North Carolina Sorry SOLD OUT
- Advanced Service Selling Skills Course January 7 & 8, 2015 Naples Florida click here to [Enroll Today](#) Still seats available
- Service Manager College Course January 13 - 15, 2015 Naples Florida click here to [Enroll Today](#) This course is filling up fast
- Collision Estimator Advanced Selling Skills Course Naples Florida

February 4 & 5, 2015 click here to [Enroll Today](#)

- Collision Managers College Course February 10 - 12, 2015 Naples Florida click here to [Enroll Today](#)

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

A publication of Edwards & Associates Consulting, Inc.
Charlotte, NC Telephone 1-800-708-7587

volume 145, December, 2014

A free monthly newsletter about Automobile Dealership Fixed Operations. Based upon the Consulting, Training and Research work done by Edwards & Associates and its Chairman, Larry Edwards CMC.

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