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It's NOT too late to Enroll in
E&A's

**Parts Manager
College Course**

September 27-29, 2016*

deadline is September 7th

or

**Service Advisor
Advanced Selling Skills**

October 11-12, 2016*

deadline is September 15th

This is the *last time* I will teach *both* Courses this year... Enroll today!

Note: Click on Course above to Enroll

**These classes are not confirmed until we receive 5 enrollments & then we will notify you that the class is confirmed*

Larry's Ramblings

More and more Manufacturers are tying Service Customer Satisfaction Scores to incentives the Manufacturers offer Dealers for achieving Sales targets. Let's look backwards at this and see if we can figure out where this train wreck is headed. First, Manufacturers offered Dealers tiered incentives for hitting Sales objectives. In the beginning, these Sales objectives were based on the Dealers past performance. Then, the target started to move. Targets became a moving target; one target for cars, another for compacts, another for trucks etc.

Once the Manufacturers got Dealers hooked on "hitting the objective" at any cost, including registering vehicles in inventory as "sold", so that the Manufacturer could tell the world that Sales set "another" record. Next, Factory incentive programs tied Service Satisfaction Scores to the "sales incentive money".

As a result, a Dealer can hit their Sales target objective but if a few disgruntled service customers give the Dealership a bad score, the Dealer loses the sales incentive money?

In case you were not aware, this is exactly how drug dealers work. They give out free samples, then sell low priced drugs until the buyer becomes addicted, then they raise the prices through the roof. The more addicted the drug user becomes, the more difficult it is for them to afford the drugs.

Recently one of my Dealer client's informed me that their Manufacturer was going to require that his Staff wear brown belts and shoes with brown slacks, and black belts and shoes with black slacks and only blue or white shirts. I inquired as to *what color shoes the Staff is supposed to wear when they dress in their pink clown suits?* He said that was not a requirement... yet!

I certainly understand the Manufacturers need to have all of their Dealers present a consistent image to customers. But, having worked with Dealers in every state in the U.S (except North Dakota) and 23 different countries; I know that different regions have different dress standards. In West Texas you need to wear your Stetson, and in Hawaii a suit and tie makes you look like you are "from the Government."

My fear is that when Manufacturers begin making centralized decisions that affects everything the customer experiences in a New Car Dealership, customers might not like what they see! If they do not like what they see, then they might give the Dealer a bad score or worse they might shop another brand. Then, the Manufacturer who set the "unrealistic" standard (for this Dealers Market), will not pay the Dealer their incentive money.

Centralized decision making did not work for Communist Russia, and I do not believe it will work for the Auto Manufacturers either!

Please turn the decisions back over to the Dealers who know their market much better than anyone from the outside ever will.

"The true joy in life is to be a force of fortune instead of a feverish, selfish little clod of ailments and grievances complaining that the world will not devote itself to making you happy."

- George Bernard Shaw

#1 Service Management Tool

A 100 Repair Order Survey...*what is it?* It is an analysis of 100 consecutive Customer Pay Repair Orders. This analysis breaks down all the key data a Manager needs to be looking at every day. It shows how every process the Manager has in place is working. It tells you if your marketing programs are working by showing you the percentage of competitive repairs your Shop is doing. It tells you how well Advisors are doing at converting the lost leader (competitive) items you advertise to bring customers into your Shop and what percentage of these competitive jobs are being up-sold to maintenance jobs.

- No notes on vehicle condition
- No notes on future service needs
- Un-authorized discounting
- Improper flagging- over/under flagging Technicians
- Missed up-sell opportunities
 - Example: writing-up an LOF on a vehicle with 30,000 miles and no mention of a 30,000 mile maintenance service needed

The best method is to conduct a 100 R/O Survey on each Service Advisor each month. To do this, run a separate 100 R/O Survey for each Advisor. Simply input five completed Customer Pay Repair Orders for each Advisor, each day, into this Survey. At the end of each month, click on the "Recap Report" and you have a 100 Repair Order Survey completed on each Advisor. CDK has a Repair Order Survey Program built into their "Reports Menu", it can be pulled by Advisor and date range.

If you do not have CDK Software E&A has an excel spreadsheet that you can input the Repair Orders into, it then automatically calculates everything for you. If you would like to obtain a COMPLIMENTARTY copy of E&A's 100 R/O Survey Report, simply send an email request to larry@edwardsconsult.com, and I will send it to you.

If you haven't been doing a 100 R/O Survey on each Advisor each month, give it a try and I guarantee you that you will see improvements!

E&A Is bring our Service Manager and Service Advisor Classes to your market

Classes are being held in the following cities

Atlanta, GA

Newark, NJ

Chicago, IL

Columbus, OH

Chicago, IL

Dallas / Ft Worth, TX

Las Vegas, NV

Click here to **ENROLL**



Are You Keeping Score?

Edwards & Associates' Corporate Training Center is located three miles from Charlotte Motor Speedway. The Speedway Club is a Country Club Facility for Racers and the dining room overlooks the Speedway. When you walk in and look out at the Speedway, the most prominent feature is the 100 foot tall scoring pylon that lists all of the cars entered in the race, and their positions with first on top and last on the bottom.

How interesting would a NASCAR race be if there was no scoreboard? What if all 40 cars lined up and ran 500 miles with no one keeping score? What if the Drivers and their Crews had no idea where they stood? Would they work harder? Would the fans be interested in watching a race, football game, baseball, or a basketball game if there was no scoreboard to tell them which team was winning?

Successful Managers establish aggressive, achievable goals, for each Employee and their Department. They make sure every Employee knows and understands the goals and objectives that each Employee is expected to hit. Most importantly, they post the results on a scoreboard that is placed where every Employee can see how they are doing individually and how the Department is doing. Great Managers make a point of celebrating whenever their Department exceeds the goals they have set. They cook steaks or take everyone to a great restaurant or the manager gets everyone together and thanks them for a great performance.

Are your Employees working in the dark? Do your Employees know what is expected from them? Can your Employees see for themselves how they are doing? Many times I have requested that a Manager begin posting key individual and key Department results daily, only to come back later and discover that the tracking results are not kept up-to-date. When I ask the Manager why the results have not been posted since I left, many times I am told "*my Employees did not want me to share their results with other Employee's*". By the way... these Managers are always losing money and customers!

Successful Managers display a "Department Scoreboard" in a prominent location that can be seen by all Employees. The scoreboard must list the Department performance objectives, as well as each Employee's individual objectives. When the Department achieves and or exceeds its objectives, celebrate the victories!

Key performance items you should have on your Department's Scoreboard:

Service Scoreboard

- Billed hours needed to produce the desired Department Net Profit
 - Daily, weekly and total for the month
 - Individual technicians hours needed
- Total Department Sales required to produce the desired Net Profit
 - Daily, weekly and total for the month
 - Individual Advisors Sales needed
- Total Repair Orders required to produce the desired Net Profit
 - Daily, weekly and total for the month
- Average Parts and Labor Sales per Repair Order
 - Individual averages
- Key items the Manager wants Employees to sell each month
 - Maintenance menus
 - Alignments
 - Tires
 - Batteries
 - Brakes
- Customer Satisfaction Scores
 - Individual Employees Scores
- Housekeeping- posting pictures of *unacceptable areas* and *outstanding areas* works well

Parts Scoreboard

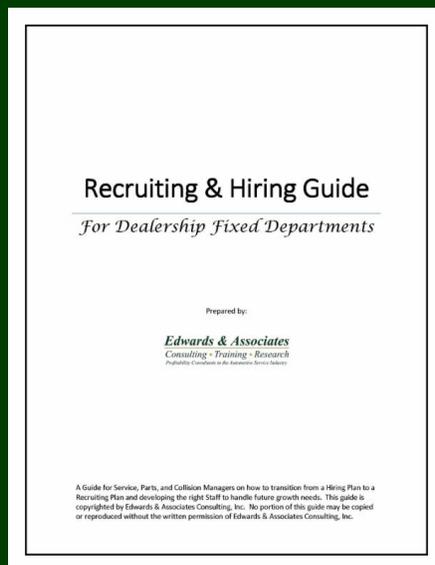
- Total Department Sales and Gross objectives for the month
 - Daily Sales objective
 - Daily Gross Profit percent objective
- Individual Employee Sales and Gross Profit objectives for the month
 - Daily Sales objective
 - Daily Gross Profit percent objective
- Lost Sales posting (E&A's goal is 5 per Counterperson each day)
- Daily Bin check of inventory accuracy

Collision Scoreboard

- Total Department Sales objective for the month
 - Daily Sales objective
- Individual Estimator Sales objective for the month
 - Daily Sales objective
- Estimates written daily
- Estimates sold daily
 - Estimate Closing Ratio (E&A's goal is 70%)
- Vehicles delivered daily
- Average repair cycle time (E&A's goal is under 4 days)
 - Measure total Department
 - Measure each Estimator
- Customer Satisfaction Scores
 - By individual Estimator
 - Total Department
- Total Department Sales required to produce the desired Net Profit
 - Daily, weekly and total for the month
 - Individual Advisors Sales needed
- Total Repair Orders required to produce the desired Net Profit
 - Daily, weekly and total for the month
- Average Parts and Labor Sales per Repair Order
 - Individual averages

This is not a complete list, this is just a list of items to get you started. My experience has been that the **more items** a Manager measures, the **better results** that Manager will achieve.

Recruiting & Hiring Guide



Edwards & Associates have developed a guide for Managers who want to transition their operation from a Hiring Plan to a Recruiting Plan. This guide provides sample formulas for calculating future staffing needs and tools to establish the different requirements to advance from an entry-level Technician to a Master Certified Technician. Evaluation Forms are included to establish the Shop's current skills so the Manager can determine the type of Employees they need to recruit to fill futures needs. Finally, this guide provides

sample ads and interview techniques to help Managers identify the best candidates. The *E&A* Recruiting and Hiring Guide can help Managers transition from hiring Employees when an opening exists to recruiting Employees to fill futue postions.

Price: 69.95
ORDER NOW

Edwards & Associates

would like to say

THANK YOU

for coming to see us at the
2016 NACE/CARS Expo!

We appreciate it,
and look forward to seeing you
again next year!



**Executive Learning Resource for Top-of-the-Line Fixed Operations Managers
or those who want to be *Volume 166, September 2016***

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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Office: 5615 Harrisburg Industrial Park Drive, Charlotte, NC 28075
Mail: P.O. Box 621360, Charlotte, NC 28262
Telephone 1-800-708-7587

www.edwardsconsult.com

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newsletter@edwardsconsult.com
http://www.edwardsconsult.com