



PROFIT MATTERS

HOW DO YOUR NUMBERS LINE UP? | BY CHRIS "CHUBBY" FREDERICK

Hitting the Car Count Bull's-eye

Most shop owners have a pretty good idea of how many cars it takes each day to maximize their profit. Too much or not enough car count can affect bottom-line profit daily. If you would keep what we at ATI call your "win number" of cars in your bays, every day your profits would soar. But how do you do that consistently? Senior Coach George Zeeks had one explanation.

Summer is here, and the automotive business should be into its annual busy season. In the 20-plus years he has been in the automotive business, Zeeks says he has seen a multitude of changes. One change is to the tax refund season. There used to be a time when from the end of March through June, the majority of customers received their tax refunds. Those checks might be used for vacations or home improvements, but we also counted on them for the cars they would drive into our shops. Customers with tax cash in hand would return to catch up on past recommended items.

It was great for the customers, he adds, great for business and set the tone for the summer. The rapid refund has extended this windfall season to the first week of February. It might not seem like much, but that has diluted the impact and we now have to do a better job of marketing.

Create a Marketing Plan

One key is to plan ahead. We all hear about setting goals and timelines, but few shop

owners adequately prepare a marketing budget, much less a year-long marketing campaign. I know you are busy, but so are all the other shop owners out there. Here at ATI, we talk about working on the business not in it. Easy to say, but it does take effort.

One effort is to build a consistent car count, and that takes a marketing plan. The plan is how many times a year and with what strategy you want to touch customers. It really depends on how stabilized you have your car count. Many stabilized shops touch their customers with some marketing strategy monthly.



The tax refund season has spawned a multitude of different ideas. We have the rebate check program, the stimulus check program and the "spend your refund here and you will get value added" program. All have worked well, but even while they are different, they all require some significant prior planning so that they hit the market at the right time. What did you do to take advantage of these programs this spring? How about the rest of the year?

We have four seasons, eight major holidays and tons of lesser holidays that we can make use of. How about Groundhog Day? I know several shops that were able to make good use of that minor holiday. What have you done in the past and has it worked? What are you planning to do for the rest of the year? The key word is planning.

Retention or Acquisition?

Now we want to plan some marketing. Who do we market to? We can market to our own customers and get them in more often. We can go after customer acquisition and add some new customers to our database. We should know that customer retention marketing will give us a better return, but we still need to constantly add new customers to replace the ones we lose.

Do you know how many customers you lost last year? Those are the customers that you just never heard from again. Do you know why you lost them? How many new customers came in one time and never

QUESTION OF THE MONTH

QUESTION:

Isn't a marketing calendar a waste of time if my cash is swinging violently?

Giant goals produce giant motivation. Some marketing strategies take time, not money.

Do you have a question for Chubby? E-mail him at cfredrick@autotraining.net.

came back? You need to have a plan or process to measure what is happening to your current customers. This will help you determine where to spend your money. Some shops do a great job of attracting new customers only to have them come in one time and never come back. Is that you? How do you know?

Start by asking yourself, where am I now? Who do I need to market to and why? How much money do I spend on retention vs. acquisition? These are some tough questions, but they need to be answered to make the most of the time and money you spend on marketing your shop. The typical shop spends 4 to 10 percent of sales on marketing and advertising depending on how far below the “win number” they are at the moment.

Time and money: Some shops have one or the other, some shops have both and some have neither. Whatever you have to invest — time and/or money — make sure you are doing it with a plan in mind. Once you have decided the things you are going to do, you need to plan out the time it will take to do them. Not all things take a lot of money. Some of the best things you can do to grow a business take time not money. However, make no mistake, there is an investment to be made. The important thing is to make the most of whatever that investment is. Things have changed in the last 20 years, and we need to keep up with that change.

Make a Marketing Calendar

The key to this is a marketing calendar. Having one allows you to keep on schedule and avoid procrastination and distractions. Writing down what you plan to do each month, quarter and year gives you clarity. Scheduling the time you need to invest in each item will give you priorities.

Allotting the money you need to invest in those marketing events will give you a budget. Even if you are not sure you can afford all the strategies, put them on the calendar. If you don't plan it, even if you have the money, you will forget to do it.

Implement the Calendar

There are about 55 different customer retention and acquisition strategies to choose from to stabilize your car count. Once you decide what works best for you, it is time to implement them. This is the secret to stabilizing car count: imple-

menting the calendar.

You know the trends in your area, so plan your marketing calendar accordingly to take advantage of these trends, both good and bad. If you need a good marketing calendar to get started, just send me an



e-mail at cfrederick@autotraining.net and I will send you one. Knowledge isn't power unless you take action, so take action and start stabilizing your car count to your “win number.” **MM**

Chris “Chubby” Frederick is CEO and president of the Automotive Training Institute. He is thankful for assistance from George Zeeks and Brian Canning in preparing this monthly column. Contact Chubby at cfrederick@autotraining.net.

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