



PROFIT MATTERS

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

The economy is not the boogeyman in your closet

Today I will let you decide if we are in a recession, examine where we currently stand on your recession plan and decide what we are going to do about it. I received a great e-mail from a shop owner upset that one of our earlier articles might be blaming you guys for the recession. Although I do not feel that way, perception is reality, so I want to certainly apologize if any of you felt the same way before we get started.



We know now that there never was anything in the closet, but it seemed awful real then. The question is if the recession boogeyman is coming to get us while we're under the covers in bed.

Many of my coaches were shop owners in their previous lives, and they understand how hard the automotive service business can be at times. They also understand that most of the time the difference between success and failure in a recession can be simple confidence. Staying confident and positive is what the people you lead need to see and hear. Let's read a conversation from Coach George Zeeks to one of his shop owners; it may just help you!

Remember back to when you were 6 years old, when the world was filled with fun and discovery, when your dog was your bestest friend and the boogeyman lived in your closet. On some nights, when the rain fell and the thunder shook the house, you could swear that the closet door was coming open. We know now, as adults, that there never was anything in the closet, but it seemed awful real then.

When something seems that real, then the effect it has on us becomes real. The economy we find ourselves in is filled with rain, thunder and lightning. The question is whether or not the recession boogeyman is coming out of the closet to get us while we are in our beds with the covers up to our nose shaking from fear.

According to Webster's Dictionary, a recession is "technically defined as at least two consecutive quarters when the economy shrinks or fails to grow." Well then, I guess we find ourselves in a recession. The next step is to throw off the covers, drag this thing out of the closet into the light of day and examine just how bad things really are.



QUESTION OF THE MONTH

QUESTION:

What is the best advice for shop owners in a recession?

Stay positive, confident, be proactive and hang in there!

Do you have a question for Chubby?

E-mail him at cfredrick@autotraining.net.

I coach shops all around the country and find that most shops fall into two categories. One group is shops that are doing well and are even prospering. The other group contains shops that were doing poorly before the “recession” and continue to do the same but worse. A period of extended growth in the marketplace, especially



inflated growth, is followed by a period of adjustment.

Some of the owners reading this may not survive this adjustment unless you take a hard look at what you do and what you need to change. The shops that fail will create a windfall for the

shops that survive. Technicians, managers and, most importantly, customers will be

left looking for a new shop to go to. Good employees and good customers are always hard to find; let’s see what we can do to make sure that they did not belong to you.

The first step is to take a long hard look in the mirror. The owner is the role model of the shop, and if you are worried, then everyone will be scared. Fear is false evidence appearing real. You must always lead with an air of confidence. It spreads like the flu, until everyone in the shop is infected with fear or enthusiasm.

This is not a transactional business that we are in; people make their decisions based on emotions. People buy from people they like. If you are confident, then your

Why do some shops do a such great job on maintenance and some not so much? It is because they ask.

staff and your customers will share that with you; people will purchase what you offer and come back. In times like these, the aftermarket repair industry is supposed to be doing better. People are afraid to buy new cars and are keeping their cars longer, so they need to take care of the maintenance on the car to keep it running.

My question is, why do some shops do a great job on maintenance and some not so much? It is because they ask. The expectation in the shop should be to find the things that the car needs and let the customer know what is wrong with their car.

A key step is to examine how we check out the customer’s car. Many clients I speak with need to be reminded of the basic services that we provide. Take a look at your oil changes: Are we doing a tire rotation on 50 percent of those oil

changes? Statistically, we should be. When we rotate the tires, are we taking the worst tire and checking the tire balance? How many battery services are we doing? Are we even checking? These items are labor intensive but are at a lower skill level and should be at a lower labor cost to us, which should result in more profit.



What are you doing differently to make your shop stand out from the crowd? The same old stuff that didn't work before will not work now. How do we treat our customers, how does our business look to a new customer and what image does our sales staff project to our customers? When we answer the phone, do

we make people want to come in to us or to make yet another phone call to "check prices?" The phone, the initial greeting and the follow-through as the customer leaves cannot be the same old thing if you want them to come back.

Take a hard, objective look at your shop and ask yourself if you would come back. Have a friend or neighbor do a "mystery shop" and check the results. I would often have my wife do a visit to a shop I was running, and the results were often disturbing. She would often complain about the appearance of the customer area or the bathroom, something I took great pride in, and it always gave some new insight on the gap between the customer's expectations and mine.

Look at how long it takes to perform the services you provide and what the customer's expectation is. It does not matter what we think is an OK length of time. The only thing that matters is what the customer thinks. Do you have the proper systems in place to ensure we keep the customer informed about what is going on? Every time the customer has to call you to check the status of the car, you have failed.

My father always said, "When in doubt, do something, do anything, maybe even the wrong thing, but do it with great enthusiasm." Throw the covers off and go boldly to open that closet door. You need to be the one to lead your crew to a better future. The alternative is to stay under the covers, and I promise you that the boogeyman will not have to come out to do anything bad. You are already doing it to yourself. **TL**

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