



PROFIT MATTERS

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

The Six Ways to Stay a Top Shop

There are many shops in North America that are nominated for top shop awards, and many that go unmentioned but certainly not unnoticed. I would define a top shop as one in which it has become famous in the area by quality, integrity, relationships and differentiation from its competitors. Its sales would depend on the size of the market they are located in and could range from \$500,000 to \$3 million annually.

to complete a detailed courtesy check so we don't leave mom stranded because she didn't know what she didn't know. Then it's setting their next appointment and reminding them constantly on when and how to maintain their car. Remember, they don't care how much you know until they know how much you care.

Top shops net 20 to 30%

I believe profits are much more important than gross sales. I have worked with \$2 and \$3 million shops that are not very profitable when we begin the re-engineering journey. A top shop should be netting 20 percent to 30 percent regardless of sales if the financial model is correct for the staffing model.

Many former top shops slip because they have to spend too much money to keep the sales up and the shop fed because their marketing or staff begins slipping backwards. It is very common for businesses as they mature to lose bottom line profit because we just keep adding overhead to stay the best. The answer is to re-engineer the financial, business, staffing and advertising models to make money like they use to do. You won't stay a top shop very long without bottom line profit.

If you want the best employees, you have to have the best benefits. If you want the best efficiency, you need the best management money can buy. If you want

The challenge with being the best is that everyone wants to be the best, so it can be tough to stay on top. I have had the pleasure of working with lots of the best of the best shop owners and here is a list of basics to focus on so you can stay the best.

Refocus on Relationships

The very best shops not only have service advisors who can sell, but they are great at building relationships. Front line turnover can destroy a top shop's reputation, as can an advisor interested only in the almighty dollar. Remembering customers' names, family members and pets are the mark of a top shop that does not need tons of money spent on acquisition advertising.

It's uncovering commonalities between the customer and the service advisor is another strength in top shop front lines. It's making sure the techs take the time

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QUESTION OF THE MONTH

QUESTION:

What is the one most important thing to becoming a top shop?

There is no one thing! Top shop owners have to do everything right and continue to keep the concert going in order to stay the best.

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

state-of-the-art equipment and facilities, it takes money. More important, you need plenty of cash in savings so you don't exhibit stress to your associates and you make them feel secure. Remember, your people don't leave usually for the money; it's your management and security that are most important today.

Refocus on Training

Typically the top shops that stay top shops are students of the business. The entire team is constantly learning, especially the owner. When you stop learning you stop growing.

The business is changing so rapidly that without the leader continuing to grow, the shop will begin to slip regardless of how great they might have been in the market. Selling is not like riding a bicycle and without annual tune-ups on relationship based sales skills your front line will slip as well. It goes without saying the technicians' need constant train-



ing to stay a top shop.

Many top shops specialize in a few brands but unless the market can support it, stabilizing car count every day in the sweet spot of efficiency can be more difficult than a general service top shop.

Focus on Marketing

Larger top shops usually have owners who work on their business and not in it. Working on a 12-month retention and acquisition calendar is a very important

weekly effort by top owners. They not only go to every advertising seminar to learn what's hot and what's not but they work on their brand marketing.

Becoming a household name in your community takes time and energy. Being active in and around your town requires time and commitment that owners who work in operations have difficulty doing unless they have no home life according to the family not them.

Focus on Leadership

Top shop owners are really focused on helping their people get what they want in life. They are well liked and their people feel secure being a part of their family. They are not bosses as much as cheerleaders trying to get everything to work in concert looking out for anything that could hurt the business.

The best of the best usually have mentors who help guide their behavior and

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give them constant feedback on their leadership skills. You can tell a real top shop very easily when it comes to leadership. The best of the best shops operate as well with the owner on or off the premises. This is the real test of great leadership. The team's beliefs are matched to the owner so their behavior follows their beliefs not necessarily the owner.

Refocus on Your People

If you feel you are slipping from top shop status, relearn your people by asking them to share their business and personal goals. Have them cut and paste pictures on a poster so you can see them and then let them take it home so they see them every day.

The biggest difference between your people's achievements in life is just the size of their goals. Big goals equal big motivation. So your tech wants to go in business for himself some day. He may

Remember, staying the best shop in your area or in the country is not a destination, but a journey you have to work on through these six ideas we've looked at.

make a great partner with you in your next shop. Remember, the more people you help in your life the more your life will grow.

Top Shop Awards

Many associations and publishers recognize the top shops in their market. I sit on many boards that decide who should be bestowed the best of the best and the awards look great in the waiting room.

This year we picked Doug and Billy Hillmuth of Hillmuth Certified Automotive in Maryland for the ATI Humanitarian of the Year Award. Our ATI Top Tire Dealer of the Year Award was Gary Pivotto of West Town Monona Tire in Madison, Wis., and

ATI's Top Shop of the Year Award was Barry Balaban of Black Bear Auto in Bristol, Conn.

If you would like to be nominated for a top shop award, send me an e-mail (cfrederick@autotraining.net) with some details on how you rank on the six ways. If you want to make sure you stay a top shop, send me an e-mail and I will send you a training scholarship so you don't

slip backwards. Remember, staying the best is a journey not a destination!

Have you slipped backwards from your best year?



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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