



PROFIT MATTERS

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

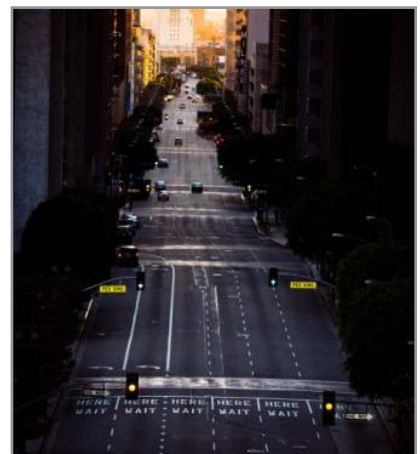
Choosing the Lane to Successful Shop Cultures

Like many of you, I started in the automotive industry at the ripe age of 21. Life seemed so simple and a heck of a lot of fun. I had just flunked out of my third college when my dad asked me if I thought street racing could be a career. You see, I talked my dad into getting my mom a 1969 COPO Camaro with GM's 427 cubic-inch iron block coupled to an automatic, which had a lot to do with my lack of interest in higher education. Then I temporarily lost my license doing something stupid, and began drag racing in Super Stock against the likes of Ronnie Sox, whose HemiCuda would blow us away on any given day. I remember my dad saying, "Do something you have passion for," so I applied to Sun Electric, because I liked their tachometers. Remarkably, they hired me!

The real reason was they gave me their smallest territory. But I got to visit about 10 shops a day and I really liked making muscle cars go faster. I would demonstrate diagnostic equipment to some of the best shops in my area and I was always amazed how some shop owners could build such amazing, successful businesses. It seemed that in those days, making profits was much easier than today, because all we seemed to focus on was being able to fix problem cars that no one else could fix. Successful shop owners just appeared to have built their businesses more on word

of mouth and reputation than on retention and acquisition marketing.

Everyone eventually had all the necessary equipment to fix a car, but some of the shops just seemed more successful. Their technicians, service writers and customers just seemed to run like a well-oiled machine, and they were much more passionate about doing everything as best as they could. One of my mentors, Ed Cohen, president of Allen Test Products, taught me that they were having fun and because of that, they were making the concert happen every day in their shop. So if passion



and culture can be a path to profits, how can we get everyone in your business passionate about serving the customers so we can stay the best shop in our area?

What is Culture?

My dad was never in business, but when I founded ATI in 1974, I asked him if he had any suggestions. He said there will be a direct correlation between how many shop owners you help and your success in your new business. So I decided to train technicians on drivability skills with the best instructors in my area to help shop owners develop a reputation of being able to fix anything. This helped my diagnostic equipment business and attracted associates who wanted to help shop owners, too.

QUESTION OF THE MONTH

QUESTION:

Do you think service managers need leadership training?

The answer is absolutely! They have to manage things and lead people to make the shop productive, especially if the owner wants any free time.

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

What I didn't realize at the time was I had created ATI's culture — helping shop owners grow. An excellent culture will help more than just our shops, by the way. It will grow us the technicians we need.

One of my favorite technical instructors is Eldridge Watts from Eastern Vo Tech High School in Baltimore, Md. I have met a lot of great automotive instructors in my day, but this guy is a real linchpin! He is highly passionate, fun, entertaining and driven to be the best in motivating young men and women to fix cars. Eldridge's students won the state finals of the Ford-AAA Student Auto Skills Contest four years out of the last five. In the last seven years, his students received the highest written scores in the state six times.

He invited me to help him teach a class this year. It appeared much different than my high school experience, with passionate and motivated students having a blast. They asked me to bring an old and a new muscle car from Chubby's Garage so we could rack them and view the technological differences first hand. I took my mom's '69 COPO Camaro (yes, I

still have it) and one of the first 2009 ZR1 Corvettes to let them play around with them. These students were stoked! What I didn't know was it was just another day for them because their teacher exposes them to many aspects of our industry to grow them faster, and it unleashed the passion within the students.

After explaining the differences of the two muscle cars, I took the class for rides in both with the help of my technical genius friend Ed Warren, who wrenched on the car in the 1960s, so they could feel the difference. I tried to behave myself, but they were not interested in a casual cruise so there were some exciting moments. The most exciting moment for me however was the 34 personally written thank-you messages on a huge homemade thank-you card with pictures of our day. Eldridge made it fun for all of us while creating a passionate culture for learning, and learn they did!

Cultivating Your Culture

If you want to read two excellent books to help you cultivate your culture, invest in "Delivering Happiness" by Tony Hsieh,

CEO of Zappos.com, and "Inside the Magic Kingdom" by Tom Connellan.

Now remember, in 1974 my dad taught me the more people you help in business the more successful you will be. When it comes to developing a positive culture, not much has changed. Have your people decide on their core values, let them build a positive team and a family spirit in your shop. I have learned that for individuals, character is destiny; but for building a successful shop, culture is destiny. Unless you are a one-man shop, your people are going to talk to your customers and so you need them to be happy.

There are three types of happiness: Pleasure is chasing the next high. Passion is flow and engagement. But higher purpose is being part of something bigger than yourself. Most very successful and profitable shops are very well connected to the community. They do more than just fix cars; they educate and help the people in the community.

One of my three passions has been dedicating my life to helping shop owners grow. Recently, I asked my associates to

help me create a culture book so prospective clients and associates could learn what ATI was about before they became a part of it. What I didn't expect was those who replied to describe our culture in a very similar manner: helping shop owners grow. Words like family, fun, significant, positive, forgiving, willingness to change, integrity and the willingness to be held accountable, shared the feelings of what it is really like to be a part of our company.

It's Not About the Book!

It is however, about the culture! Once you have a culture, invest in it. We can all learn from Disney, and I am sure many of you have visited the Magic Kingdom. One of the best things I learned from Connellan's book is your competition is anyone the customer compares you to. Don't just focus on competitive auto service centers; your customers are comparing your phone and people skills to FedEx and Nordstroms. As these types of competitors improve, think of what you have to deliver to your customers to keep them happy.

At Disney, everyone walks the talk from senior management to the folks that clean the park. Everyone makes a difference in the Magic Kingdom. They pay fantastic attention to detail: Disney paints their hitching posts every night, and some things with 24-carat gold paint. A brand does not and cannot exist separately from your customer experience. Your customer experience is your brand.

Making Profit from Culture

Making work fun comes from giving recognition, rewards and celebrating. Many of us guys can be a bit short on recognition compared to the ladies. A great book I recommend for the ladies reading this article is "The Truth About Men" by Dr. Pat Allen and my leadership mentor Don Schmincke from Johns Hopkins. They believe it's a sensitivity thing and guys can't get emotional because they are not wired that way. In other words, guys don't share their feelings because they can't.


Actually they can, but by the time they squeeze emotions through their (smaller than women's) corpus callosum, jumpstart

a dormant cingulate gyrus and squeeze out the last drops of oxytocin and serotonin, they're pretty much too exhausted to talk about their feelings, according to these experts. So gentlemen, try putting 10 dimes in your left pocket and every time you recognize an associate or customer move the dime to your right pocket. The goal at the end of every day is to move all the dimes to the other pocket. This tip works; but make sure you bring your significant others to our leadership classes if you want to be sure you learn the soft skills. They are better wired to accept it.

A great award could be the Spirit of Chubby's Garage Award. Please change the name to yours for better results! Every time your people demonstrate your culture, give them your spirit award. Remember, one with passion is better than ten associates merely interested. I love Bertice Berry's quote, "When you walk with purpose, you collide with destiny."

So, if you would like me to e-mail you a copy of my culture letter that I sent to my associates, asking them to give feedback on ATI's company culture, just send a request to cfrederick@autotraining.net. You have my permission to insert your name in my letter and start learning about your culture by creating a book for your customers and associates to learn what your company really is all about.

I will be teaching all the culture tools if you want more help, in San Diego at the Del Coronado Hotel on March 16-19, 2011. *Motor Age* readers can register at www.autotraining.net/superconference11.

Nearly 300 of the best shop owners in North America, who already as working and playing hard on their business, will be attending our annual Superconference. Remember Morpheus in *The Matrix*? He said there's a difference between knowing the path and walking the path. So get the lead out and e-mail me for your culture letter! 

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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