

IS OK GOOD ENOUGH?

NEVER, NOT FOR YOU OR ANYONE WORKING IN YOUR SHOP. AVOID MEDIOCRITY BY CHARTING A COURSE BUILT ON EXPECTATIONS, STANDARDS AND ACCOUNTABILITY.

BY CHRIS "CHUBBY" FREDERICK | CONTRIBUTOR

EMPLOYEES know what's expected of them in their jobs, and of course they know what's good enough, right? How many times have you thought, "You're a professional, you should know what the job is, just do it!"

Honestly though, should they really? Should we assume they know about business and know what you need to survive? Do they know exactly what you expect? Mike Bennett, a shop owner from Gettysburg, Pa., and coach for ATI, will share some of his secrets to creating the shop of your dreams.

One thing that always will happen is that your business will have a direction. It might not be the right direction or a direction you would prefer, but it will have a direction. So, either you set the direction of your business or your business will set its own. The same is true of your employees: If you don't set a standard of performance, they will.

How to Set Expectations

I believe the success, mediocre performance or failure of your business depends on the understanding and application of three very simple words: expectations, standards and accountability. Expectations are what you want and need from your shop. The standards become the level of performance that you set for the individuals in your crew.

Your ability to determine these standards, communicate them and make them real, understandable and achievable with your employees determines how well and how quickly you can achieve your success. You repair and service vehicles for a living, this shouldn't be rocket science. Show up, work hard, everyone do the right thing; this should be easy! Consider for a moment though, could a ship with a crew sail from Baltimore, to London without a rudder, captain's wheel, compass or map? I'd guess not likely. But if





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it did somehow arrive in port, it likely would be on the luck of the winds.

Your expectations and standards need to be real, tangible and measurable. "Providing exceptional customer service" is a common expectation many shop owners have. It might be what you want a customer to think about you, but it is hard to measure. We have to focus on things we can measure that will help to create that emotion in our customers.

This comes from creating a series of standards that, when completed properly, help to fulfill that expectation. "We perform courtesy checks to ensure that we can provide each client with a complete understanding of the condition of their vehicle." That is a standard. We expect service advisors will send each work order into the shop with a courtesy check form attached to the repair order, and techs will perform a thorough courtesy check on 100 percent of the vehicles. As a standard, this can be tracked, measured and ultimately managed.

Communicating Expectations

The real challenge as an owner is to be able to identify measurable benchmarks and then communicate those as standards to your staff so they can understand what is expected of them. This is what their performance will be judged against to determine success or failure. As an employee, when you understand what the target is, you can set yourself in a path to achieving it routinely. No matter how broad or focused, determining and setting expectations and standards is not an impossible task. It's really about understanding your needs — but how do we do that?

Let's assume you have already determined that your shop needs weekly sales of \$16,000 at 54 percent gross profit



margin to support your weekly fixed and operating expenses of \$4,800 and to achieve desired net operating profit of \$3,840. You really need to know these things, along with the answers to: What would your service advisor need to target in sales, car count and average repair order value to support this? What would your techs have to do to support the production necessary to meet the standard?

I mean, honestly, would you just open the doors on Monday morning and pray it happens? Well, you could, and maybe in a great location or with a super service advisor, you might even achieve success at times. However, unless you set the standards for your crew, the likelihood of your achieving them will be nothing short of chancy.

Setting expectations for the business, and the standards for each employee in support of your expectations, is essential. For example, given your sales goal above, your techs (assuming you have three) would need to be 85 percent productive at an effective labor rate of \$82.46, or each produce a minimum of 34 billed hours per 40-hour work week. Do you have daily production tracking and do you let techs and advisors know daily where they are in relation to their goal? Your service advisor would need to understand that they are responsible for making sure the shop has 51 vehicles available per week or 10 vehicles per day at an average 2.0 billed hours per vehicle to support the techs. The standard has to be known, and once

known, it has to be tracked, and once tracked, there has to be accountability.

Making People Accountable

As important as expectations and standards are, the magic is in accountability. In the absence of accountability, employees migrate toward the path of least resistance (i.e. taking it easy).

Accountability comes in several forms, all of which are important. There has to be a tracking and reporting element. There also has to be a consequence for performance, whether as reward or penalty. This is where production-based pay plans work really well.

So, how do we do it? It starts with you knowing the needs of your business. What's your win number? What are your expectations for your business? Make them known by all so you can hold employees (and the business) accountable. Work to come up with measurable performance standards. Your employees and business should be responsible to report to you (or a manager) with results of daily performance.

Finally, make it real. I recommend that you give consistent feedback. If there is no follow-up, then likely your staff will consider it not so important after all. If you make it important and you make sure they feel they have some "skin in the game," it is more likely that they will remain on the same page as you and be motivated to keep working hard.

Go to www.ationlinetraining.com/2014-02 to get a free copy of the Win Number Drill and get started on setting standards for your staff that will make you and them more successful. But this is a limited time offer. **ZZ**



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Chris "Chubby" Frederick is the CEO and founder of the Automotive Training Institute. ATI's 108 associates train and coach more than 1,150 shop owners every week across North America to drive profits and dreams home to their families. Our associates love helping shop owners who are having the same struggle as many of them have had, and who are looking for the same answers — and in some cases looking for a lifeline. This month's article was written with the help of Mike Bennett, a shop owner from Gettysburg, Pa., and a coach with many very successful shops.

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