

PROFIT MOTIVE: YOUR COMPASS TO FINANCIAL SUCCESS

Make time to grow your business

If you expect your shop to survive and thrive, you need to find time to plan

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Having the opportunity to work directly with several collision repair facilities each week, I see a few common themes in the industry. If any of these are occurring in your business, it is time for you to make a change.

In the good old days, shops didn't have to do much to get the cars needed to pay the bills. There are many owners still in that mindset. The difference is cars aren't coming in the way they used to, and some shop owners are left wondering why they're volume has been cut in half from years ago.

I also see shops that have very little diversity in where they get work. Compare this to your investment strategies. Your financial advisor will tell you to have some diversity in your investments to minimize risk. But many shops today rely on one insurance program to provide car volume and quickly find themselves in trouble if they see a volume decrease or are no longer part of that program.

Lastly, I see many owners who, when they purchased the business, had the dream of making a ton of money and also the time to spend with their family. The reality is that they find themselves working around the clock without time to see their kids or take a vacation. Most often, this is due to lack of leadership and a failure to plan.

If you expect to survive, you need to plan. You need to commit the time to plan. So, what could change if you devoted an hour five days a week to focus on your business? Below is a breakdown that

should help you make more money, grow the business and give you more time to spend with family.

Monday

Review estimates or repair plans from the previous week. Was the estimate or repair plan built correctly? Does it comply with your internal rules or those of your DRPs? Are items missing? Compare parts and sublet invoices to the final repair order. Are parts or sublet costs missing on the final repair order? Are there discounts, and if so, why? Are labor times correct? Are labor operations missing or not billed correctly? How many supplements were processed and are they for the same items multiple times?

Tuesday

Review your key performance indicators: total sales, average repair order (ARO), weekly gross profit margin, cycle time and shop productivity. Did you hit the sales volume needed to reach your goal? Did you have the car volume and ARO to do so? Did you hit the gross profit margin for your financial model? Which profit center was below your goal or needs to be worked on? Was shop productivity where it needs to

be to drive the sales and labor profit?

Wednesday

Devote time to relationships and new business growth opportunities. Are there additional DRPs you should be pursuing? Are your insurance KPIs leading your market area, or are there areas that you need to improve? What current and potential business accounts need attention? What additional services are you considering offering? Work on diversifying your revenue sources.

Thursday

Focus on your marketing plan. How many marketing pieces are needed per day, per week, per month? How does your shop show up on a Google search? Are you getting positive reviews from your customers? What are your response rates for each marketing effort? What are the sales and ROI for each? Are there marketing efforts with no return that you should stop?

Friday

Review what you learned from the previous four days. Review each area of the business, and implement procedures and processes that have been found to be missing. Is there training that you need to provide? Is there equipment needed to make the shop more productive? Devote time to adjusting your weekly, monthly and annual plans.

The key is to be proactive rather than reactive. Start now. Visit <http://www.ationlinetraining.com/abrn1311> for a checklist to help grow your business, improve team communication and delegation, make more money and spend more time with your family. ☛

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