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The following article is from the September edition of Search Auto Parts publication.

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BEING NERVOUS AS A SHOP OWNER IS NATURAL

Shop owners are becoming more aware today of what the independent shop owner and our sector must do to ensure its future prosperity. It has nothing to do with purchasing commodities for a better price. It has nothing to do with creating more shop activity. It has nothing to do with finding more customers to sell to. This new what is a dramatic shift change in business culture, and it is making many shop owners very nervous in the sense they are questioning to themselves, “Am I up to this?” or asking, “Can I do this?” and “Will I understand this?”

It is only natural to be nervous about something when you are entering unexplored territory in the sense that you haven't done it, or don't do it, everyday. This new territory is called business management and understanding what the numbers of your business really mean and specifically what are your business numbers telling you about your business?

Too many shop owners say, this is “accounting stuff” and claiming that it is not important to them on a day-to-day basis, consequently, they end up burying their head in the sand and continue to do the same old, same old of seeking better pricing from parts distributors. In their mind, that is how you make profit. This way of thinking and understanding of how a shop is operated ultimately will cause their business to fail and/or continue with a lifestyle of buying themselves a job. They also will sustain an extremely unprofessional marketplace image. As much as all of us within the industry would like to, no one can help these shop owners, until they are prepared to help themselves.

This article is for the people who want to try to help themselves.

As mentioned above, it is only natural to be nervous or have a sense of uncertainty/ anxiety, about what you must do. I must say emphatically, however, you can do it, and

you must realize this. I have seen this transition from technician shop owner to business manager shop owner accomplished so many times before. I cannot accept that any situation is that unique or different.

Consider that you studied very hard, and paid the price to become a competent automotive service technician. I am in awe of many technicians I know from the point of how they can comprehend the vast amounts of technical knowledge required today in understanding precisely how a modern vehicle works and interacts with itself. It truly is mind-boggling, yet, they understand it.

When you have gone through the process of nurturing the self-discipline required to get through reading the technical manuals written today and then understanding them in terms of creating that picture in your mind as to what it is, I can assure you that, with the same effort and focus, business management analysis will be a piece of cake to you.

The personal issues to overcome to achieve this are:

1. Slow you down. You must be willing to focus specifically on the topic itself.
2. Bury the old excuses "I don't have time" and "I can't get away." Yeah, and you have never gone fishing or hunting or taken a vacation in your entire life since you opened the shop. Those are excuses and you know it.
3. Get you away from the shop. You need an environment that is comfortable and without distractions. A nice hotel usually accomplishes this task.
4. Present to you, business management as a topic in a visual format. Linear number crunching has a tendency to make things more complicated than they really are and it is boring. But turn it into a day to day relative point to your specific business, and then it starts to make sense as you picture it in your own mind. This is the instructor's or facilitator's job, now yours.
5. Get you working with your own business numbers that you have looked at before with a glaze in your eye but now, this time, present them slowly to you with an explanation to you as to what they mean. When explained properly, your numbers in front of your eyes begin to talk to you about what is actually going on in your business.

The numbers within your business will tell you precisely where your business strengths and shortfalls lie. They will tell you what type of customer base you have, have attracted and where opportunities lie to improve your customer base in order to reduce your business stress. The numbers will tell you about the overall competency of your staff and show you where to improve each person's abilities to maximize their performance and improve their job satisfaction. Your numbers will tell you how much net profit you are making on each repair-order/invoice before you close it off so there will be no more guessing as to whether you are making money that day or not. Ninety-eight percent of all shop owners have been taught to measure their sales and gross profit per repair order. That's not good enough anymore. Today you must measure net profit made before you close the repair order out.

Once you have been through this process, then it is a matter of simply practicing what you have learned. As we were told by our parents when we were kids, “practice makes perfect.” That was, and still is, excellent advice. It really is the same principle you had learning the technical end to become a competent technician.

Many shop owners across the country have been intimidated by business people trying to impress the shop owner or, quite frankly, make the shop owner feel inferior about business issues and shop measurement formulas and guidelines. These methods are unprofessional and totally uncalled for. I can attest to the fact that if a technician ever tried to teach me the analysis and workings of a modern engine today, well, let’s just say they better have a lot of patience with me because that would intimidate me immensely. You see it does work both ways. It is time to bring expertise together from both sides of the table and rely on one another’s expertise to maximize the bottom line of the shop. When the bottom line grows then, and only then, will we secure everyone’s future.

The changeover from being a competent automotive technician to competent business person capable of understanding the ramifications of numbers management is not an overnight process. It takes time and it takes self-discipline, the same principles that apply to learning the technical end of the business.

I know many technicians who are shop owners, wished life was simpler, but no one individual or group is responsible for the fast pace complicated industry we are all working in today. It is just reality, so we all must adjust and re-learn, and execute differently within our business to deal with it, which in turn will allow us to survive and, more importantly, prosper.

Consider what the alternative is when shop owners and managers live day-to-day with apathy and procrastination. Time is working against them. The math will not work! Not only will the shop eventually fail in professional terms, management’s financial affairs will be a mess and the anxiety and stress brought to the staff and their families will be great. Shame on those shop owners who refuse to see this. Shop owners have a tremendous amount of responsibility and one cannot take that lightly.

Big pats on the back and high fives for the shop owners and managers who take the time, buckle down and give it a hearty try to get their head around this topic and culture. You are the people who should be put on the pedestal of our industry because you are the ones that will take us into the next generation. Well done; keep up the good work; stay focused; don’t give up and no matter what, keep on learning. As, once again, we were told as kids, “You can never know too much.” Mom and Dad were right again.