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The following are a couple of short, but interesting, articles written by Bob Cooper, contributing editor of the publication Parts & People, editions of March and April 2015.

THINK YOUR BUSINESS ISN'T GOING TO CHANGE DRAMATICALLY? THINK AGAIN!

All great companies have one thing in common: They realize industries and consumers need change, so they follow their customers. As we all know, when Apple started they were a computer company, but when that industry began to decline, Steve Jobs was able to see that his targeted customers were investing in music. This is why Apple Computers became Apple Inc., is why they reached a point a few years ago where their online music sales exceeded their computer sales, and is why today they are in the mobile device business. In essence, they transformed to meet the needs of their customers.

Your business is no different. Over the decades the auto repair business transformed from a “we fix anything” business that rebuilt every component into an industry that installed remanufactured parts. We then transformed from a repair industry into a maintenance-driven industry. If you bring hybrids and electric cars into our discussion, the change becomes even more dramatic. As this progression continues you will be seeing your customers and repairing their cars, far less often. Interestingly enough, most shop owners are not too concerned because they simply believe that all they will need to do is ratchet up their marketing efforts to bring in more new customers. Unfortunately, there are typically a finite number of potential customers in any marketing community, and your competitors have the same plan in place. So rather than fighting the inevitable changes, or doing business the same ole way until your business is out of business, here are my recommendations:

First of all, shop owners typically diversify for one of two reasons: They do it out of desperation, or out of inspiration. The ones that do it out of desperation take the leap when they are struggling to pay their bills, and are scrambling to find any way to bring in a few more dollars. The ones that diversify out of inspiration see the change in the wind, and take the necessary steps to ensure their continued success.

However, there is no one road that is right for everyone. If you are in a specialty business such as transmissions or suspension, you may want to consider transitioning into general repair. You already have the most important part, which is your customer base. Another option is to consider the exploding world of infotainment. If you walk into any new car showroom today you will find that just about every new vehicle has a wealth of entertainment features, along with navigational and communication features. So the question is: Who is going to not only be servicing these components, but who is going to be offering upgrades, and handling the installation of the newest state-of-the-art components that the drivers of older vehicles would love to have? Why not you?

It is argued that at one time Bill gates said, "If Santa Fe Railroad would have realized that they were in the transportation business, and not the railroad business, today we would have Santa Fe Airlines." This is a message we should all take to heart, because our industry is going to go through many more dramatic changes. The first to embrace this reality, and make the necessary changes, will become the industry leaders for decades to come.

A SHOP OWNER'S GUIDE TO STAYING AHEAD OF THE COMPETITION

Not long ago it was easy to beat your competitors. All that you needed was more equipment, a healthy advertising budget and the ability to fix cars right the first time. Well, those days are long gone. Today, cars are being built better and require service less frequently, customers have more choices than ever before, and they are able to do a tremendous amount of research online before they even pick up the phone. Additionally, this industry is experiencing an extraordinary shortage of qualified technicians, and profit margins are being squeezed every day. To top it all off, the dealerships have their eye on one thing and one thing alone. Your customers. So the question is, during these challenging times, how can you stay ahead of your competitors?

First and foremost, you will need to have clearly defined goals in place, and you'll need to create a plan for reaching those goals. The right goals and an action plan will enable you to make far better business decisions and improve productivity and profits.

Secondly, your success will be predicated on the caliber of people that work with you. We can never forget that whenever someone buys a product, they will always remember the product, but when they buy a service, they will always remember the people that provided the service. How will the top show owners find and hire the superstars in the coming years? In addition to having an apprentice program in place, they will create a recruiting plan that contains a well-designed compensation program, and they will market to the superstars in the same way they market to their retail customers.

The top operators will also create marketing plans that target their ideal customers, and they will use the right media. The successful shop owners will be brand builders rather than price promoters, and they will invest at least 4-6 percent of their total sales into

their marketing programs. They will recognize that the Y Gens and Millennials hold the key to their future, so will be investing a part of their marketing budget into campaigns specifically directed toward them.

The successful shop owners in the coming years will constantly analyze every component of their customer process with their crew, and they'll create policies and procedures that better ensure extraordinary service at every customer touch-point. They will also embrace the philosophy that keeping their superstars happy, motivated, well-trained and productive will depend on their employee management skills. They'll realize that their brand is their people, so to further develop those skills they will invest in books and courses that are directed toward employee management. And lastly, the top shop owners in the coming years will not only know their numbers but will know what needs to be done in order to reach each and every one of their performance goals.

In conclusion, if you want to build a world-class shop you will need to have clearly defined goals with a written plan, and will need to know your numbers. You will also need to have a team of superstars, and a well-designed marketing plan that brings in your ideal customers.

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