

ShopTalk



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November 2011

The New Austerity Economy

People in Europe are rioting because their governments are having to trim budgets after decades of spending more than they have been generating in tax revenue. California has been issuing IOUs for years because the costs of its pension and social programs have outgrown its tax base. And raising taxes isn't the answer since fewer than 10,000 people pay 50 percent of the total income taxes collected in the state. Raising taxes will simply force those wealthy taxpayers to move to Colorado, Montana or New Mexico.

States are having to slash their budgets, cut services and renegotiate state pension programs. That reality angers the people who have been benefiting and now will be receiving less.

This brings us to the new \$5.00 word of the year: *austerity*, meaning (I had to look it up) "a markedly simple or unadorned act, manner, or attitude."

It makes me wonder. In the United States, our government spending is much larger than at any other time in our nation's history. Plus, *USA Today* recently reported that our national tax rate was lower in 2010 than it had been since 1950. (Yes, you and I know that state

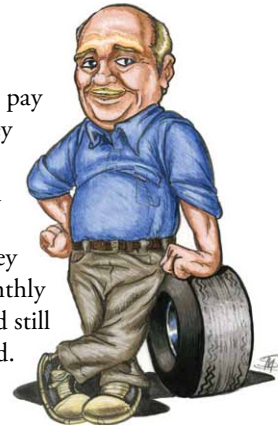
and local taxes are far higher today and still add up to a hefty rate.)

Our current rate of spending compared to collections is unsustainable. And proponents of both sides of the argument appear entrenched. You'll see fierce debates in Congress before our nation's largest expenditures are cut: military defense, Social Security and Medicare. And what about raising taxes? What if the United States raised taxes by a trillion dollars or two to pay for the new expenditures? Do you think that would add additional fuel to the Tea Party movement?

Across the world in the last two decades, people have become accustomed to getting more. And not just getting more, but getting it for free. No one appears willing to step up and pay for it. Instead, they want someone to give it to them.

For the last 20 years, our politicians have programmed citizens to believe their government can give them low taxes and great benefits at the same time. Any politician who dares to say otherwise has been quickly replaced. We face a similar dilemma: How do we make the case for investing in car maintenance without getting replaced?

Think about it, your customers don't want to pay for car repair. When they purchased a car, they expected it to take them where they want to go. In their minds, since they are still making the monthly payments, the car should still be rolling down the road. Now you come along and suggest they should "maintain" their vehicle?



In the past, you and I could choose not to do business with "those" people. Today, there are too many of them.

While it appears that everything has changed, the solution is the same as it's always been. Sell confidence. More and more of your customers are female, and they want to buy confidence. Women fear a breakdown because they view it as a failure in protecting their family. They are highly motivated to keep their cars maintained.

Your female customer wants you to explain repairs in a way she understands, without talking down to her or making her feel bad because she doesn't know about cars. Instead, educate her so she can make a smart choice. Provide her with the suggested maintenance from her auto manufacturer, help her understand why it is important and give her the opportunity to choose to have her car maintained to the manufacturer's specifications.

There is a lot of talk about austerity today. Plus, with so many of us Baby Boomers aging, we are spending less. Just like most old people, we'll be driving our cars longer. So, while the new austerity may be scary, those demographics actually favor your shop.

Charge the prices you need to provide excellent service, educate your customers and continue to build your reputation. With these factors, you'll power through ANY economy. **ATI**



How ATI Helped ARS Fleet Service Find Its Market and Succeed There

Patrick Connell began his career in a literal “Mom and Pop” shop, his dad’s.

“My father incorporated the shop in 1962 and grew it, going through the small one-guy shop, the two-, three-guy shop, the working in a backyard building to moving to a building on the main road to adding a parts store,” Patrick says. “He retired about 11 years ago.”

Patrick was interested in business and marketing, and he found the auto repair industry to be a good vehicle to engage those interests. It was also a vehicle for learning things he didn’t know.

“The business before ATI was running without goals,” Patrick says. “We were trying to operate without industry standards to compare to, without knowing what a good quality tech can and can’t produce, how to make the most of your parts margin. There’s a lot more to it than just buying a part and selling a part.”

ARS Fleet Service is somewhat different from other auto repair shops in that Patrick targets businesses that have fleets of vehicles that need to be maintained.

“I wanted to find the best way to convert our traditional auto repair facility into a fleet business,” Patrick says. “We were able to transform it more into a business-to-business facility. We concentrate on 200 to 400 companies and build relationships that way.”

A typical customer for Patrick is a business owner who controls 5 to 40 vehicles, such as a plumbing contractor or a pest control operator. Patrick sees many advantages to specializing in a specific niche.

“I think there’s less competition, you can target your marketing dollars and you can specialize your tools and equipment,” he says. “This is something you learn from ATI: how to enter a market and differentiate yourself. Each and every one of us can do that. It’s a matter of finding a niche or a strategy in your market that leads to your success. You won’t hear ATI instructors telling you to ‘attack fleet or imports,’ but what you do hear is that you need to think through the process of differentiating yourself from everybody else in your market.”

Patrick first heard about ATI in the 1990s, and he acknowledges being a “poacher.”

“I have to admit I poached quite a bit,” he shrugs. “I went to free seminars, Saturday boot

camps and took as much information as I could and ran with that, which alone was tremendously useful. It changed the course of my business.”

With the success he was having, Patrick might have stopped at the seminars and boot camps, and at first he was tempted. But now he’ll tell you nothing can replace the next level of information that comes with ATI coaching.

“I’m sure there are a lot of guys, and I might’ve been one of them,” Patrick says, “that think you’re not going to learn anything new. But what you’re going to learn are the skills to take those things you might’ve already known but weren’t applying. Having somebody hold you accountable for those fixed expenses, really understanding what an effective labor rate is and how it changes your whole business isn’t something you just pick up on a Saturday. I think we all need to be coached.”

Patrick credits his relationship with ATI with being able to approach everything he does with a focused plan of action.

“I come in every single day knowing exactly what we want to do,” he says, “and in most cases, we know the end result before we even perform the act because we’ve done so much preparation.”

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Sam’s Corner

It’s Time to Give Back and Help a Shop Owner Friend!



So, why would you want to help a friend? We have learned from our eleven 20 Groups that being able to talk to other owners that are at your level in business is critical to obtaining good advice. Things

change in your area and we can’t always stay up on every regional opportunity or challenge. Plus, the only way to have friends is to take the step to help out others that might not be as knowledgeable about the automotive service industry as you are in your business after being an ATI member.

If you are an active ATI Re-Engineering or Alumni client we want to thank you for bringing a friend to an ATI Boot Camp when we are near your shop. We know many of you have been great references when we send clients to you but our biggest challenge is getting potential clients to the Boot Camp. If you attend, you may be able to get four or five friends to come with you! As many of you shared with me when you joined ATI, you attended many Boot Camps before you decided to invest in ATI. You were all surprised how content-rich our introductory Boot Camps were, and everyone who has ever attended implemented something from every Boot Camp. Your shop owner friends may be afraid for a host of reasons,

but you could help them understand we are the real deal if the time is right for them to invest in themselves with a Re-Engineering program.

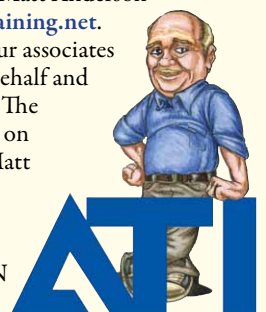
Should you help a competitor? Your first reaction might be NO, but many smart shop owners have used ATI Boot Camps to get their competitors’ pricing more in line with their pricing. If you think about it, wouldn’t you prefer to compete on quality and relationships rather than on price? You might think you don’t want that kind of customer, but I bet a lot of their customers were not necessarily price shoppers but were referred there by a price shopper.

Why would you want to attend another Boot Camp? You will be recognized as a successful ATI client and asked to tell your story to encourage other owners to drop their misguided belief systems and encourage them to change. Also, I have talked to many of you who went back to a Boot Camp for a tune-up and a reinforcement of your original mission to improve your free time and profits! The current Boot Camp, “Think Like a CEO,” has received extremely high satisfaction ratings from the AMI surveys, and it is worth seven AMI credits towards your AAM designation. Since we are always improving and learning new techniques ourselves, you will

probably see some new techniques and tips for improving your business since you were at The Institute last.

So, how do you get the fat boy to send you a check? Bring enough friends or referrals so one of them joins the Re-Engineering program. All it takes is four shop owners and one of them will join right away. The rest may have to attend several Boot Camps before they see the value, but we will track them for you! The Boot Camp fee will be 100 percent rebated after attending the class and spending time with an ATI Management Consultant doing a shop operations analysis in their shop.

So, send your four referrals’ names and phone numbers to Matt Anderson at manderson@autotraining.net. Matt will have one of our associates contact them on your behalf and handle the reservation. The Boot Camp schedule is on our website. Also, let Matt know if you can attend so we can prepare the instructor and thank you for this WIN/WIN experience!



Google Places: The New Yellow Pages?

By Mike Bennett



You would be hard pressed to find anyone over the age of 18 that doesn't know about the Yellow Pages directory. Every time I get my new Yellow Pages book, I am thrilled! There is always something I need to hold open, like a door, or a table that is not quite level, and it works great for that. For more than 100 years, the Yellow Pages were the foundation of any good marketing plan. Consumers routinely searched the Yellow Pages for needed services or providers. As business owners, we used to count on the Yellow Pages to bring us new clients. If you wanted to be successful, it wasn't a question of IF you would advertise in the Yellow Pages, it was just a question of how many different sections you should appear in, and was it going to be a quarter-page ad or the granddaddy full-page ad—in color of course. Now it is a question of whether or not I need a new door stop.

In recent years, the use of online search engines as a resource for finding the things we need or want has exploded. Think about it. When was the last time you used the Yellow Pages or looked in the newspaper to find a local business or service? I'd venture to bet that, like a majority of American consumers, you "Google It." A July 2010 survey by Melbourne SEO revealed surprising statistics about how consumers search for us. Of those asked in a blind survey, nearly 54 percent said they have never used the Yellow Pages. Ninety-three percent of all surveyed preferred to let their fingers do the typing in an online search box. In a recent analysis of online search engine use ending in Sept. 2011, research firm Hitwise sampled 10 million U.S. internet users. It was no surprise when Google ranked first in searches with a massive 66.12 percent of all searches performed. Almost as revealing, nearly 22 percent of all searches performed were for local services or service providers.

What does all of this mean for you? Well, if you want new customers to find you, you're going to have to get in the online game. Take for example this 21st century reality: If word of mouth has been your main-stay advertising, you're now most likely out of the game. Your competitors are probably getting that "word of mouth" advertising. It's referred to as online reviews. Think of it, you could have a great customer who tells each one of their friends how wonderful your shop is, OR that same great customer could tell hundreds or even thousands of prospective clients how great you are via online reviews.

In the case of Google, it really all starts with your Google Places business listing where your

reviews can be seen along with other pertinent business info. So, what is Google Places, you ask? "Google Place pages connect people to information from the best sources across the web, displaying photos, reviews and essential contact information including location, phone numbers and website links. It can also be a forum for real-time business updates and offers from business owners." Google Places has become the new Yellow Pages. So the question now is, how does your Google Places business listing stack up in your competitive market? Well here's how you find out. In the Google search bar, type "auto repair shop your town, your state." Do you see your shop's name listed next to the map? The listings that have a letter next to them that correspond to a point on the map are businesses that fit the search criteria by order of Google's ranking. Are you there and if so how far down the list do you appear?

Bottom line is this, if you aren't on the first page you might as well not be listed at all. If you're not in the top two or three positions on the first page, it's less likely that a potential customer will even get to your Places listing. Why? As consumers, we are looking for a "WOW," which in this case is a business that looks appealing and seems likely to satisfy our needs. In other words, most consumers look through listings until they find one they like. Once satisfied that they have selected the best business, they're unlikely to look further. Your listing not only needs to perform well in the rankings, but once a potential customer clicks to your Places page, it needs to be appealing and give them confidence.

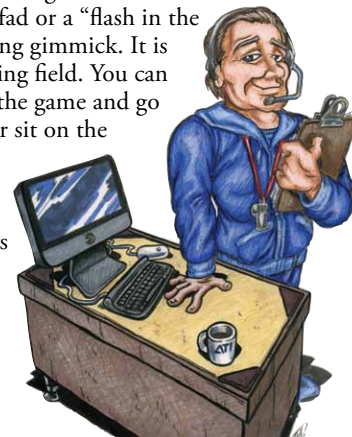
Google is extremely secretive with how it determines search result rankings. Many would call its algorithm one of the great mysteries of the online universe. Google's goal is clear though: to provide accurate, current and relevant results for any query as it relates to a business or service. Optimizing your shop's Google listing is absolutely essential to the success of your online presence. So how do you improve your online presence and Google Places listing? Don't worry, you have many sources and resources available to you. Start by asking your ATI coach to review your Google Places listing with you. A quick review can help you identify key elements you may be missing or deficiencies you may have in your content. Ask your coach for "The 10 Things You Need for Your Google Site" reference article. This is a great "how to" review of the important elements and guidelines for a successful listing. Add new and relevant content to your Google Places listing. People buy from people not from signs, buildings, disassembled cars or vendor logos. Make sure you have visually appealing pictures that show who you are and maybe who your target customers are and what they look like. Google's algorithm loves pictures and

video content links. A video testimonial or the YouTube infomercial of a partner vendor really helps with search rankings. In a larger SEO (search engine optimization) strategy, new and relevant content should be constantly moving through the World Wide Web as it relates to your shop. This will definitely improve your Google Places performance and rankings. Make sure you keep a coupon or special active on your Google Places listing. Reviews are huge, not only in your ranking but in relaying confidence from one consumer to another that you are really good at what you do. You should have an ongoing program to solicit your customers for Google reviews. Your coach can give you detailed instruction on how to ask your customers to give you a review on your Places listing.

If you want to get really high-tech, we can even help you with a QR Code shortcut for your smart-phone savvy customers. It's also important to note that you never want to put all of your "review eggs" in one basket: Recent changes to Google Places has removed the third-party reviews from your listing. Even though the third-party reviews are no longer visible on your Google Places listing, Google has hinted that their "new" algorithm still uses non-Google reviews in its search rankings, so it is important to collect them whenever and wherever you can. The more sources, the better. You should also regularly monitor your Google Places performance. As with any marketing component, it is essential that you monitor how it is performing. Google Analytics is a component of your listing that gives you statistics on how often your listing is being viewed and whether it is leading to "click through" actions to your website. As with a good tune-up, you're looking to make adjustments until you achieve optimum performance.

So you see, Google Places is really just a new twist on an old marketing concept. You have to put your name in front of the people who are looking for you when they are looking for you and in a way that convinces them you'll be the best shop to take care of their needs. The Internet and Google Places are not just the new fad or a "flash in the pan" marketing gimmick. It is the new playing field. You can either get in the game and go for the win or sit on the sidelines and reminisce about the good old days when all you needed was a great Yellow Pages listing.

ATI



November 2011

Monday Tuesday Wednesday Thursday Friday Saturday/Sunday

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|  | 1 | 2 | 3 S.A. 20 Group 1 of 2 | 4 S.A. 20 Group 1 of 2 | 5/6 |
| 7 Service Advisor 1 of 4 | 8 Service Advisor 2 of 4 | 9 Shop Owner 1 of 9 | 10 Shop Owner 2 of 9 | 11 Shop Owner 3 of 9 Veteran's Day | 12/13 |
| 14 | 15 | 16 Shop Owner 4 of 9 | 17 Shop Owner 5 of 9 | 18 Shop Owner 6 of 9 | 19/20 |
| 21 | 22 | 23 | 24 Thanksgiving | 25 | 26/27 |
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December 2011

Monday Tuesday Wednesday Thursday Friday Saturday/Sunday

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| 5 Service Advisor 3 of 4 | 6 Service Advisor 4 of 4 | 7 Shop Owner 1 of 9 | 8 Shop Owner 2 of 9 | 9 Shop Owner 3 of 9 | 10/11 |
| 12 Service Advisor 1 of 4 | 13 Service Advisor 2 of 4 | 14 | 15 | 16 | 17/18 |
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Like most businesses, ARS Fleet Service has had to make adjustments throughout the years in response to the market, the economy and how customers view the industry. Patrick says coaching has helped him stay ahead of the game, making beneficial changes before they were necessary—or too late.

“Having your coach discussing where you are and where you’re heading allows you that time to think through and potentially reinvent yourself before it becomes necessary to reinvent yourself,” Patrick explains. “If you get to a point where you need to reinvent your business, it might be too late.”

Today, Patrick runs a larger company with fewer employees—and they get more work done.

“We are focused daily on strategies, accountability and our long-term mission,” he says. “Before ATI, I think we had a lot of strategies that would come and go or not be applied because accountability wasn’t there. We looked at key performance indicators and wondered are they good? Are they bad? Who knew? Now we know.”

ARS Fleet Service is open six days from 5 a.m. to 10 p.m., but Patrick spends more time with his family now than when he was open 8 to 5. He credits ATI with giving him the strategies and the accountability that allow him to delegate tasks to his team.

“I leave every day at 2:30, so I can pick up my 11-year-old daughter,” Patrick says. “We do homework together, go to her sporting events,

all the things I didn’t do before. I’d have to give credit to my coaches. We worked hard on getting this business to operate on its own, getting me to work on the business and not in the business. So, family life is dramatically improved.”

Patrick says you’re never too busy for coaching, and if you are too busy, you need to take a hard look at yourself.

“I’m a firm believer that you’re never too busy for coaching—reading, webinars, ATI coaching, maybe even a local business coach,” he says. “If you’re slammed busy, it’s because you’re unorganized. There’s no need to be slammed busy in this industry. I still am, to some degree, but it comes from a lack of focus and a lack of organization. When you create a system for accountability, the chaos starts to go away.”



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