



PROFIT MATTERS

HOW DO YOUR NUMBERS LINE UP? | BY CHRIS "CHUBBY" FREDERICK

The Care and Feeding of Your Manager

In consulting with automotive shops across the country, I have talked to a lot of owners and one thing is very clear: when it comes to creating an environment for managers and other staff to flourish, most owners just don't get it. We, as an industry, have not stepped up to the idea that managing an automotive shop is a profession.

People will follow a dynamic leader. You don't have to be General Patton. Plenty of people followed Gandhi, and he didn't have to yell that much.

Much of the population would rather go to the dentist than take their car into a shop for work. Many think that as an industry we score just above a collection of attorneys when it comes to image. Don't shoot the messenger! I certainly do not believe that stereotype is real or deserved, but rather that most shops are fair, trustworthy and professional.

You have to admit though, that when the press needs a story for sweeps week, they go after the automotive industry or try to find some roaches in a restaurant kitchen. For now, let me climb down off of my soapbox and let's discuss the things we need to do to ensure our managers have the right environment to be the type of managers that all of us in the industry need.

Leaders lead, and people will follow a dynamic leader. I'm not saying you have

to be General Patton. There are plenty of people that followed Gandhi, and I don't think that he had to yell much.

Leadership is a frame of mind and needs to be built within ourselves and our managers. The old phrase is "the speed of the leader is the speed of the crew," but the standards have to be set so that everyone knows what speed is expected of them. Guidelines and standards need to be set out so that all involved know, without a doubt, what they and the shop should be achieving.

Many times I have talked to owners who are unhappy with their managers, but the managers are unaware of the true issues. Too often "sea gull owners" swoop in and unload on the manager, who in turn unloads on the employees. Clear-cut goals, standards and expectations that have been developed with the involvement of everyone in the shop eliminate this negative behavior and create the proper environment.

Praise Your Manager

We hear it time and again — we need to praise our employees; but we fail, many times, to listen. Almost everyone invests some amount of their self-image in their

QUESTION OF THE MONTH

QUESTION:

How can I get my people to do what I want without always being at the shop?

YOU MUST GET YOUR PEOPLE TO FOLLOW YOUR BELIEFS, NOT YOU. FIRST, YOU MUST CHANGE THEIR BELIEFS IF YOU WANT TO CHANGE THEIR BEHAVIOR. MOST FOLLOWERS HAVE NEVER MET SOME OF THE GREATEST LEADERS IN THE WORLD!

*Do you have a question for Chubby?
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job. When we praise our managers when they do well, they will learn to praise the staff and the amount of positive feedback increases the positive self-image everyone gets from the job. Make people care about their job and watch how the results grow.

When we do have to correct some action or behavior, do it in private. The need for positive correction is essential to

grow a manager. If you are candid and honest weekly with them in an effort to help them grow, they will love you. If you save it all up for one annual review, they will hate you because you gave them the feeling during the year you were happy with everything they did.

What you want from your manager may not be what was important at their last job. They might not even know what



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you want and that is totally your fault. When there is a lack of clear-cut expectations, most people will perform based on the expectations they have come to know in the past. Have you given them the tools needed to measure the performance of the shop? Do you measure and set standards for daily sales, technician productivity and customer satisfaction? If not, how will they be able to read your mind and give you the results that you need or want?

If you are reading this and are not sure what I am talking about, then you need guidance to become the leader first. Don't worry, it is not a disease. Even CEOs of the biggest companies have "coaches" to help them through. I have been using a CEO coach for the past two years and my personal growth has benefited tremendously.

Pay Them Correctly

A tough topic for many owners is how much to pay a manager and how to set up the pay plan. A set salary, without any

incentives, will not reward the best managers and will encourage apathy, where we settle for the results that we get. Not many people are money motivated, but money sure does help pay the bills.

A pay schedule based only on sales can result in high sales but low net profit. Too much emphasis on sales can lead to discounting to get the sale and an unprofitable shop. In addition, never talk about Average Repair Order (ARO) unless you include shop productivity, car count and margins.

If you want \$500 per car, any manager can do that; but they will turn away the oil changes and new cars that are the seeds of the future. A pay plan that rewards sales and gross profit margins along with high customer satisfaction bonuses will result in a profitable shop with happy customers.

The owner needs to know how much they need to be able to make from the

business to keep the shop running and provide the return on their investment that they expect. Remember that you have to provide a living wage for the area you are in.

If the shop is not producing enough to be able to do that, then you cannot afford a manager — yet. The right pay plan is just one more way that we can help motivate the manager and the staff to produce the exceptional experience that will ensure that customers return and bring new ones in.

Learn to Lead

Managing a current management staff, creating a new management staff or acting in that management role yourself is a complex blending of many disciplines.

The most important issue to resolve is the purpose of mission that provides a clear vision of where you want to be. The tools that you will need to get there, the train-

ing that you will need to provide or learn yourself and the shape that your organization will eventually take all depend on your ability to lead.

Your leadership, with compassion and uncompromising attention to the goal is what will make the difference in your organization. You have a rare opportunity that most people do not appreciate, in that you are shaping the lives and futures of those around you. I advise you to lay the groundwork well for your success and for those whose lives you touch. *TF*

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