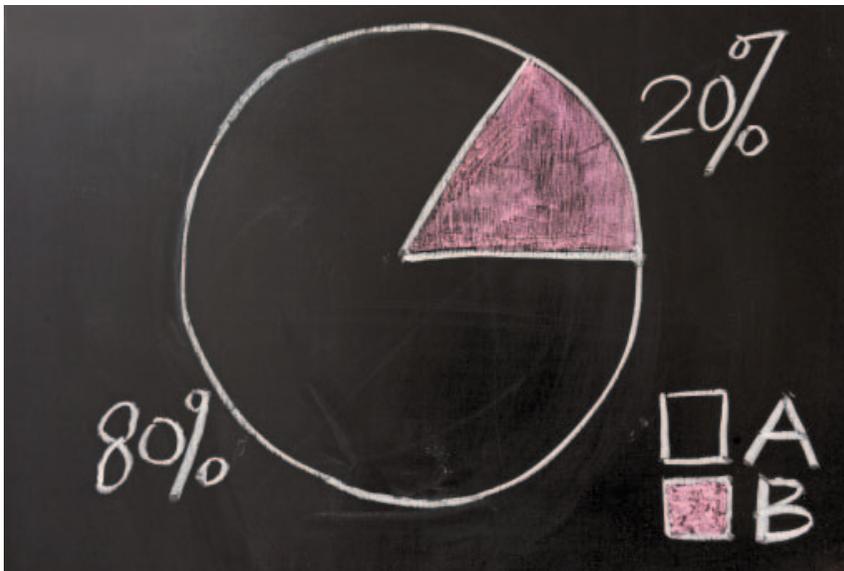


BREAKING THE RULES

WHAT'S THE DIFFERENCE BETWEEN THE 80/20 RULE AND THE 20/80 RULE, AND WHY SHOULD WE CARE?

BY CHRIS "CHUBBY" FREDERICK | CONTRIBUTOR



IF I COULD teach you how you and your people could become more productive by just reading this article, would you consider it? I am sure this is not your first rodeo; however, this might be an approach you have not considered working on to increase profits in your business. Plus, if you want to retire, you might want to consider teaching this to your second-in-command. One of our most successful senior coaches, Brian Hunnicutt, teaches the following concept to his client base — with tremendous results.

The 80/20 rule has been around a long time, and works on a wealth of levels, tasks and events. It works on men and women, personal and business. It will apply on many more events, levels and tasks than it won't apply to.

We get 80 percent of the money in a normal business environment from 20

percent of our clients. Men and women both wear 20 percent of the clothes in their closet 80 percent of the time. I have polled a number of people, and both men and women agree to it. If you have a picnic, you can rest assured that 20 percent of the people will eat 80 percent of the hot dogs.

What we accomplish in 20 percent of our day nets us 80 percent of the results for that day. Figure that there are 24 hours in a day, and we sleep for eight hours. That leaves 16 hours to be productive. So what you accomplish in 3.2 hours will net you 80 percent of the results for that day. Think about your day, and how you manage the events in that day. Does this apply to you? Is there any way you could stay in "20-percent land" longer?

Stay productive longer

The challenge, once you start realizing the truth about the rule, is to start

defining the tasks that place you in 20-percent land, and the nonproductive tasks that are in 80-percent land. I would have you write down all the tasks that place you in 80-percent land, and then come up with a process that allows you to be *proactive* instead of reactive. I have found that most 20-percent actions are the tasks for which we have proactively defined a process that keeps us on task.

Take paperwork, for example. When you sit down to do it, the phone is ringing off the hook and all the activity around you keeps pulling you away. The shiny pennies and squirrels keep distracting you. In other words, you were not proactive in creating a process to stay focused on the paperwork. Why not come in early or stay late? You could even tell everyone that you are at lunch and get it done. It will probably be done right with fewer mistakes, and it will not have taken but a fraction of the time. You will have been in 20-percent land.

Think about all the shops around you. Most are slow, but a couple of them are really busy. The 80/20 rule is hard at work here. If you put a bowl over 10 shops, two of those 10 will produce 80 percent of the sales for all 10. I know that this sounds crazy, but look around.

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CHUBBY'S BONUS TIP: WHAT IS THE BEST WAY TO STOP SALES FROM SWINGING VIOLENTLY MONTH-TO-MONTH? DEVELOP A SYSTEMATIC SALES PROCESS, WRITE IT DOWN AND INSPECT IT DAILY UNTIL IT BECOMES A HABIT.

Put the bowl over 10 service advisors, and the same is true. It even works for the techs. It has always amazed me to have a tech that can produce 60, 70, 80 or even more than 100 hours in a week — only to have the rest of the people in the shop combined not be able to produce what that one does.

Teach them to break the rule

We need to address what is getting in our own way and our employees' way. Have meetings as a shop and one-on-ones to help everyone stay on task and learn how to beat the 80/20 rule.

What are some of the things that get in the way of our techs? Talking to each other, bathroom and smoking breaks, unorganized toolboxes and carts are just some of the struggles. But I would say the biggest is that we don't teach them how to break the 80/20 rule. We don't create the clear level of expectation and then track it and measure so that we can hold them accountable.

When we are dealing with our customers dropping off their cars, it would be prudent to spend the extra couple of minutes building the relationship and educating them about what we are going to do with them and for them. If we don't take the extra time, then we might do a great courtesy check and build a fantastic estimate — only to not make the sale. Thinking that you did not have the time during the drop-off to educate your clients did not save time; in fact, it cost you much more time than you would ever realize.

Being proactive in understanding each task and learning whether the task is a 20 percent or an 80 percent item is critical. We need to prime the pump if we are going to get water out of the well. If our customers are not expecting the call when we make it to sell them additional work, then it is like sneaking up on them with bad news — vs. fulfilling your responsibility to inform your customer. Customers need to be expecting the call, so they will have had a chance to discuss it with their significant other or whomever. That way, we have a greater chance of



them being in the 20-percent group and buying everything. It is when we don't let customers know what and why, that they stay in the 80-percent group.

Don't let customers sell you

The 20/80 is the other side of the 80/20 rule. It is the 20 percent on the reverse side that takes 80 percent of your time and you get nothing out of it. It is the 20 percent of the clients that proactively try to control your sales process and take 80 percent of your effort and you get nothing out of it. These customers try to make you feel uncomfortable asking for the sale. It can take many shapes and forms, but the end result is always the same: You lose.

Now, we understand that two out of 10 are buyers and two out of 10 are proactive nonbuyers. The other six out of 10 are the ones we are trying to turn into the 20 percent that buy everything. By enhancing your processes, you stand a good chance of doubling your current business by beating the 80/20 rule. You can have 30 percent, 40 percent, even 50 percent or more buying what you recommend when you recommend it.

The real problem is that for each one of the six that turns into an active

buyer, you stand an equal chance of one of them turning into an active non-buyer — this is the reverse side of the 80/20 rule. All of the active nonbuyers will try to make you afraid, doubtful and hesitant to even approach them to ask for more money. In other words, they sold you on not selling them. The customer's job is to say no; they will sell you on not selling them.

Understand these truths: "Nothing happens until a sale is made" and "There is nothing a sale won't fix." Either you are selling the customer or they are selling you.

If you would like to see our Sales Process Checklist, for a limited time simply go to www.ationlinetraining.com/2014-04 and download a form you could start using today. *TM*



Chris "Chubby" Frederick is the CEO and founder of the Automotive Training Institute. ATI's 108 associates train and coach more than 1,150 shop owners every week across North America to drive profits and dreams home to their families. Our associates love helping shop owners who are having the same struggle as many of them have had, and who are looking for the same answers, and in some cases looking for a lifeline. This month's article was written with the help of Randy Somers, ATI's head instructor, who has had decades of experience at the front counter.

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