

'TIL DEATH DO US PART

YOUR RELATIONSHIP WITH YOUR EMPLOYEES MEANS YOU'RE INVOLVED IN A NUMBER OF MARRIAGES WITHIN YOUR SHOP.

BY CHRIS "CHUBBY" FREDERICK | CONTRIBUTOR

UNTIL death do us part. That sounds kind of scary, but we all have heard that expression before. Most of the time, it refers to marriage. Marriage is defined as a formal union, a combina-

tion of two or more elements, a state of being united. Some of the things you need for a successful marriage are commitment, humility, patience, forgiveness, trust, communication, clear boundaries and respect. When you get

right down to it, you need those same things for any successful relationship.

Make no mistake, you need to have that with all your employees. How successful those relationships are is entirely up to you, and just like marriage, you have to work at it. This month I want you to listen to Kim Hickey, an ATI coach and former shop owner from Arizona, explain how she has helped hundreds of shop owners hold on to their valuable employees.

Maybe you're not that kind of person who gets all touchy feely with others. Well, it's in your best interest to foster and nurture these working relationships. The costs of losing and replacing an employee can be astronomical: vacation and severance pay, unemployment wages, possible increases in your unemployment rate, advertisements for the open position, drug testing, background checks and motor vehicle reports, just to name a few.

The Cost of Death

The man-hours or wages paid to the person writing ads, interviewing, performing reference checks, drafting employee offers, setting up security passwords and alarm codes, email accounts, etc. — this part of the process alone can take a minimum of 30 hours up to more than 100 hours per appli-



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“SHOULD I TRY TO HELP MY EMPLOYEES WITH THEIR PERSONAL DREAMS AND GOALS? IF YOU DON'T, MANY OF YOUR COMPETITORS ARE MORE THAN WILLING TO DO SO.”

CHRIS “CHUBBY” FREDERICK [ATI CEO]

cant. While you are mentally adding up the possible cost of this, don't forget about set-up costs for uniforms, business cards, internal training, external training and certifications.

Just when you think your list is done, think again! How much does it cost to replace the loss of knowledge, skills, contacts and relationships your terminated employee takes with them? Can you put a dollar amount on the loss of possible revenue from your customers that your terminated employee could take with them? The last part of this equation is factoring in productivity loss during recruiting and training, lost work while the position is vacant and high potential for mistakes until your new employee achieves the same level of skill as their predecessor. Is your head swimming yet? It should be!

None of this even takes into consideration the difficulty of finding qualified candidates. The nation's demand for technicians is expected to grow by 17 percent by 2020. This will add 124,800 jobs needing to be filled. If you follow ATI's business model of three techs per service advisor, that would mean at least 41,600 service advisor jobs also will need to be filled by 2020.

Further studies have been done on actual costs to replace employees. The Center for American Progress published a study that found businesses spend about one-fifth of an employee's annual salary to replace him or her. According to Dun and Bradstreet, replacing someone in a management position could cost as much as 150 percent of that employee's salary. Even more eye-opening was data collected by the Sasha Corporation, which determined the average cost of replacing an \$8-an-hour employee to be \$9,444.47. Sounds crazy but this is real dollars, your profit that we're talking about.

Keep Your People for Life

I hope by now you are asking yourself what you can do to keep your employees married to you for life. You can start by asking yourself if you are ready to accept the role of a true leader. Having the title of owner does not



guarantee that you have leadership abilities. It doesn't ensure that your employees will do their best for you, be inspired by you or want to help you build your business.

A good leader ensures that he or she does everything in their power to set their employees up for success. They provide their employees with a professional environment. They certainly don't run around yelling, threatening to fire everyone or rule with the iron-fisted and antiquated "It's my way or the highway" attitude. Just as in any successful relationship or marriage, both parties have to have an understanding of what the other person's expectations are. Those expectations must be clearly defined, leaving nothing open to interpretation.

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A great place to start is with a detailed written job description. Upon completion of the description, have a one-on-one with your employee. Make sure they understand exactly what it is that you expect from them. Explain what type of growth or advancement potential they have. If there is no potential for growth or advancement, be honest and up front with them. Before you conclude the meeting and have your employee sign off that they understand what is expected of them, ask what tools you can provide for them. If an

employee doesn't work out, you need to ask yourself whether you did everything possible to mentor them and help them reach their full potential — or did you set them up for failure?

Find Out What They Want

You need to find out what your employees want. It's as simple as asking them or giving them an anonymous survey. We surveyed all the service advisors who came through our classes during the past six months. What surprised me was that even though we provide four levels of classes for our service advisors, their answers were the same regardless of their level of experience.

The good news is, today's employees are not looking for money and benefits as a requirement for job loyalty or satisfaction. The bad news is, what they want might be something that you have not been prepared to provide. You have to remember that your future staff member might have been raised with a different standard of performance and a very different way of measuring success. They have been raised receiving trophies for just showing up. They've been raised with the constant reassurance that everyone is equal and should be treated equal regardless of performance, effort or results. Remember no child left behind?

Today's recruits are all about themselves and what we as owners can do for them. When we read the answers to the survey questions, over and over we saw the same thing, survey after survey. They want to feel proud, they want to be heard and they want to see co-workers that don't perform be removed. Don't forget daycare, recognition for efforts, more responsibility, more thorough training and your promises have to be kept. They want you to help them improve personally, not just be concerned with improving the company.

Other responses were they don't want to be threatened all the time that they will be fired "if..." Some of the employees we surveyed not only wanted, but expected, you to sell your

business to them. They also want you to make them feel needed. They want shop goals set up that involve the entire team, not just the front or the back. They want and expect their workmates to be “family,” and they want to have fun. They want pay plans that they can understand and are able to calculate. Several mentioned that family members of the shop owners were interfering with their ability to do their job and they want those people kept out.

Nontraditional Benefits

The Bureau of Labor Statistics collected data showing that employees who have little in the way of workplace benefits have the highest voluntary quit rate. If you can’t afford or aren’t offering traditional benefits, it’s time to start getting creative with nontraditional ones. Take the time to find out what makes your employees tick so you know how to motivate them individually. Everyone is different and you can’t just assume that they all want the same things.

If you find out what your employees’ dreams are, you can use that information to motivate them. All of you have a great wealth of resources at your fingertips. Most of you have a customer database of more than 1,000 customers. In that database there are realtors, investment brokers, music teachers, party planners, etc. Once you find out what your employees’ dreams are, match them up with someone who can lead them in the right direction.

If your employee’s dream is to purchase a house, introduce him or her to a realtor and maybe a financial planner so they can find out what is involved. If your employee’s dream is to pay for their daughter’s wedding next year, match them up with a party planner. This type of nontraditional motivation is not only very cost-effective, but very effective. Today’s employees want you to take an interest in them personally. They want to feel like their dreams are important to you.

I know that some of you are sitting and shaking your head right now, saying that there is no place for this type

of new-age employee handling in the automotive industry. But according to the hundreds of service advisors we surveyed, it’s what is going to keep them married to you for life.

If you would like a checklist of things you should do to improve your employee retention, for a limited time go to www.ationlinetraining.com/2014-07 and download our Employee Satisfaction Checklist. 



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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 Kim Hickey, an ATI coach and former shop owner.

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