

ShopTalk



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‘But I can get that cheaper somewhere else.’

I just received this letter from a shop owner reacting to my newsletter article a couple of months ago about margins and charging premium prices. He wrote:

Chubby,

You don't know what you are talking about. It might sound like a good idea to charge high prices sitting there in your office, but here behind the counter, it's a different story.

Here in the real world, customers really do get back in their cars and drive down the street to save \$5.00. I have to charge less just to keep them from leaving.

I know the numbers work in the classroom, but behind the counter, you've got to do what it takes to make the customer happy.

{Name withheld to protect the guilty}

Let me start my answer by saying two things:

1. You will always have customers who complain about your prices and give you a hard time. Over the years shop owners like you have trained customers that you'll cave in and give a cheaper price if they complain. It's like trying to get the dog to stop begging at the table when you feed it scraps from your plate. As long as you are handing out scraps, that dog will beg.
2. If your customers think so little of you that they'll walk out for \$5.00, you've got bigger problems. More than 80 percent of all auto repair customers want a job done right and have no idea what it should cost. They want someone they can trust and are willing to give that person a fair price to get their cars fixed right. Either you are attracting only the 20 percent who are bargain shoppers with your cutthroat pricing, or you are doing something (like being scared when they walk in) to give the 80 percent a reason to mistrust you.

You will always have customers that'll tell you, "I can get that cheaper somewhere else."

And you know what? It's 100 percent true. They can.

And a lot of recognition-dependent shop owners react to that greatly, more so than the desire to make money. They feel as though they're crooks because somebody said they can get a part cheaper someplace else.

No matter what you do, you can't prevent people from saying that. But when you hear it, you have to understand that if they wanted to buy it cheaper, they'd be somewhere else buying it. Instead, they are standing at your counter.

Your moral obligation to yourself and to your family is to make the most money you can from the time you invest in your shop. Sometimes you have to learn how to handle it when someone says something that hurts your feelings. And sometimes you have to learn how to handle it when a customer walks out and then drives down the street.

Better that those cheapskates leave your store. You don't want them as your customers. They

are nothing but trouble because it's never cheap enough and never good enough for them.

Instead, build a shop for the 80 percent of customers who want a shop they can trust and who want the job done right. You've got a coach who can show you how.

About me sitting in my office: ATI has more than 934 shops around the country participating in Reengineering or Alumni, and they are succeeding where you are failing. You can't tell me they have poorer customers or more cutthroat competitors than you do.

No, if you are suffering, it's your fault. Instead, get plugged into your coach, attend more training and get the skills you need to overcome objections, charge higher prices and make the money you deserve. **ATI**



Want to Add More Healthy Years to Your Life?



By Sherry L. Granader, ACE, AFAA, NETA, ACSM, ASFA, BBU

IT IS TIME FOR A NEW WAY OF THINKING AND LIVING AS A BUSY SHOP OWNER! The medical community has forever focused on treating chronic diseases and reversing illnesses associated with aging – cancer, heart disease and diabetes. Since cancer and heart disease account for over 50% of all deaths, you would think you could live longer if you avoided these big killers. It turns out – this is NOT the case. Wiping them out only increases your life expectancy by 9½ years – not 30-40 like you might expect.

WHY? To add healthy, vibrant years to your life, you have to slow down the rate of aging at the cellular level – internally! Here are some tips to consider:

#1 – AGING IS ABOUT HOW YOU REPAIR YOURSELF! It is less about your systems breaking down, but more about how your body repairs itself AND does your body have the proper nutrients to do this repair job!

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Small Changes Generate BIG Results

Sometimes, even the smallest changes in auto shop management can have a big impact on the bottom line. Just ask Frank Palange.

Frank is the owner of V & F Auto Inc. in Agawam, MA, and, as is the case with many other auto shop owners across the United States, generating money has not always been easy for him. "I was doing fairly okay, but wanted to get to the next level," he says, recalling the reasons that prompted him to enroll in ATI's boot camp and Re-Engineering program about five years ago.

"I had done another course previously, but I didn't like their philosophy," he adds. "ATI's approach suited me much better."

That's because at ATI, Frank received not only valuable, results-bearing skills to guide him to that "next level," but also a much-needed support and encouragement to implement the strategies that turned his "so-so" business into a cash cow.

Measurable progress

How did Frank go about raising his auto shop's performance up a notch? Among several specific steps his coach had suggested was a pay plan, an incentive-driven payroll that was surprisingly well received by his employees, even though such easy acceptance is not always a given.

Here too, ATI's coaching was instrumental in smoothing out the potentially rough transition. "The coaches tell us how to tackle the subject and how to approach the shop staff," Frank relates. "For example, when I explained how everyone will be rewarded once they reach their goals, there was no resistance."

Frank says he also benefited from marketing training, which covered, among other topics, the importance of social media in promoting his business. Not only that, but "I got a lot of useful information on different ways of recruiting employees and finding vendors. The coach showed me sample ads and helped me tweak them to match my requirements."

Of course, having everyone at Frank's shop heading in the same direction is also a performance booster. To ensure that his employees stay on the same page, Frank makes sure they too follow the ATI training. "It's important that they get the same concepts so we can all move ahead together," he says.

Frank has been implementing many of the steps the ATI taught him – including the lessons on pricing structures, as well as parts and labor matrix – and he sees a measurable improvement in his shop's performance.

Here is what Frank accomplished by diligently implementing what he had learned in the program: His shop went from making about \$750 a week to a \$4,042 weekly profit, which adds up to an impressive 433 percent increase.

Coaches to the rescue

While the instruction and guidance Frank received in the program have made a huge impact on his shop's profitability – as the above numbers clearly show – he also derived much benefit from the coaching process itself.

When he first started working at the auto shop, Frank was in a partnership with his father, who was a sounding board for Frank's business-related dilemmas. When it comes to problem solving, two heads are better than one, so when Dad retired "I had no one to talk to," Frank says.

That changed when ATI's coaches stepped in. While no outsider can fill a father's shoes, at ATI Frank discovered the much-needed "shoulder to cry on" that he had missed since Dad's retirement.

"They call themselves 'coaches' but they have been really my partners," Frank notes. "I know that anytime I have a question or a problem in the shop, I can pick up the phone and call."

One of the areas where Frank received good advice from a coach was in the field of human relations – or, more specifically, employee management. He tells of the conflicts he used to have with his service manager, who resented that Frank always made shop-related decisions instead of allowing the manager to do it.

"He and I were head-bashing a lot over this and I didn't know how to resolve it," Frank relates. "I discussed this matter with my coach who suggested that if the service manager was in charge of the shop and wanted the responsibility of making the decisions, let him. The coach facilitated the communication between myself and the service

manager, so we ended up understanding each other's expectations better."

Once Frank stopped micromanaging his service manager, there was no more head bashing; in fact, better relationship between them led to improved productivity and, in turn, to bigger profits.

"Having a mediator, a third party who was able to put this situation into right perspective for me made all the difference," Frank notes. "When an issue comes up that I don't know how to tackle myself, the coach is always there on the other end of the line walking me through it."

It's no wonder his advice to other auto shop owners in the program is: "Build a great relationship with your coach, because that's the foundation of your progress."

Just do it!

Frank has been in the auto repair business long enough to know that there is no miracle get-rich scheme or, as he puts it, "a silver bullet."

To anyone considering whether to try out the ATI Boot Camp and enroll in the Re-Engineering program, Frank gives this well-worn advice: Nothing ventured, nothing gained. "You take out of the course what you put into it," he says. "Any change is difficult, but if you give it a fair shot, it will work."

Frank's own successful experience is proof enough to encourage other auto shop owners to join the program. "Take it one thing at a time and see what works best for you," he advises. "If you implement steps you learn in the program, your profits will rise." 

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#2 – AGING happens on the INSIDE – NOT THE OUTSIDE! Here is a secret about aging – your RATE of aging doubles EVERY 8 years and your job is to manage the inside to slow down the rate of aging.

#3 – AGING is more about COMPOUNDED problems rather than one individual problem. The small health issues you face may not have a big effect here and there, but if they get worse or begin to interact with other problems, that is when they spiral into bigger health problems usually triggered by several different causes.

#4 – Can you REVERSE AGING? ABSOLUTELY! You can nudge your systems to work in your favor and it is never too late to start making small changes that will have a huge impact on how you age. Just because you made mistakes in the past doesn't mean you cannot reverse them.

#5 – IF you perform a GOOD HABIT for 3 years – the effect on your body will be as if you have done it your entire life. Within 3 months, you can start noticing visible changes as well as physical ones.

Most importantly, stay away from processed foods as much as possible. Exercise, and choose supplements that will support your body and mind. Look to my next article for more tips on beating the aging process.

I wish you glowing good health, always! See you at Superconference 2011 in San Diego!

“Eating the Elephant” Real World Leadership & Accountability

By Brian Hunnicutt

Leave the loose ends behind and learn how to easily take yourself, your employees and your entire shop to a whole new level of organization, professionalism and consistent growth.



Eating the elephant with a notebook, otherwise referred to as the “Notebook Technique.”

A shop owner wants to feel that they are running their business, not the other way around. Unfortunately it's very easy to find ourselves in the position of running around putting out fires and shoring up

shortcomings, trying to be everything to everyone and never getting as far as we'd like to. Wanting to be good employers, trying to satisfy customers, getting new customers, running a business can be overwhelming. If you feel that your business is running you in circles you will love the simplicity of taking notebook in hand and finally becoming the leader of your business.

This simple technique requires the massive investment of a spiral bound notebook for each of your employees, one for yourself and one for the store in general. Or, use your computer and printer to the same end.

After acquiring the notebooks your first task will be to take the “Store Notebook” in hand and walk your entire store, starting from a street view, through the parking lot and front door path that a customer would take, all the way through to the front counter, waiting area, bathrooms, office area and entire shop – all with an eye on what is good as well as what needs work. You will be writing down all that you see that looks good and right with the world on one list. The second list you will be making will be everything that needs improvement.

Don't be tempted to skip the good list and go straight to everything that needs work. It's important to acknowledge what is right with your store even if you're eager to address the problems.

Nobody can function very well in a lose/lose environment. Even if your store is full of problems you and your employees need to feel that there is something positive to base further growth on. People want to win and as the leader of the store you need to show them that winning is possible. By acknowledging the good you show them that further wins are within their reach.

Now you need to hold a meeting with all of your employees. The purpose of this meeting is to have your employees help you assess what your store does well and what needs improvement. Make the environment friendly enough that people feel free to open up and give real responses. You will be taking notes and will only add valid items to your “Store Notebook” – valid meaning those comments that have a general consensus, not random ranting. Some items to consider: Is the communication between front and back effective? Is the courtesy check being done correctly? How is the phone answered?

At that time take a look at the items and quickly prioritize the first two items that need to be worked on. At that meeting come to an agreement on what will need to be done in the next week to go about fixing these two items. It's important that actual action steps are decided upon, even if the problem cannot be totally addressed within a week. The elephant is eaten one bite at a time.

The next week you will be having a quick follow-up store meeting. You will start the meeting by once again reviewing (celebrating) what the store does well, of course confirming that that is still the case. (There are times

that in the effort to improve one area, another previously well run area will suffer. If this is the case it will need to be added to your list and addressed immediately.) Now you will do a quick review of items that the store needed to work on and give the team a pass or fail grade. If the items have been addressed satisfactorily, reiterate the win and focus everyone's attention on maintaining and/or improving the effort. At this point, if the first two items have passed you can move them to the “what we do well” list.

At this time you can move on to the next two items that need to be addressed. At any point in time, you should have no more than two items that are being worked on. If one of those items takes weeks to address, you will only be adding one new item. If one of the items seems huge you can choose to address only one new issue and just track progress on a previous item.

The idea here is to clearly celebrate the victories while addressing the shortcomings at the same time. You will be sending a clear message of leadership, expectation and teamwork to your crew. This should feel like a group effort to move forward, not a firing squad.

You will want to date every meeting in your notebook, along with the items that you will be addressing including any notes on specifics. This is your tool to track and measure the progress of your store as a whole. You will now have in your possession a written report of where your store stands and where you are headed! It's an amazing relief to put it all down on paper and feel that you have a doable action plan that will be addressed in a realistic manner.

While you are working on your store as a whole you will also need to address each individual employee with their own notebook. This is a notebook that will remain in your possession and be used as a way to track and measure your employee's performance.

For each employee you will need to have a short weekly meeting. While this may seem time consuming, it is well worth the extra effort and need not be time intensive. The first meetings, or problem employees, will require the most effort, but then it is the problems that we are aiming to weed out – which will lead to a much more productive and profitable business.

During the meetings it's a good idea to be on the same side of the desk as the employee. Give a brief explanation that you are instituting a new way to track and measure the business in an effort to improve it. The idea is to show them that you are literally and figuratively on the same side. Improvement of the business is a win/win situation for business owners and employees.

Show them their notebook where you have already written down a few items that you feel they do very well. Let them know that this is not an exhaustive list, just a few things you think they do well. Ask them what they would like to add to the list and write it down if you agree with them. Now turn the page and show them a few of the items that you think they need to work on. Ask them what they think they could improve on. It's critical at this point that they are buying in to this process. They need to understand that you will be using this tool to manage your employees and their cooperation is part of employment.

At this point you will need to pick one item that you choose and one item that they choose to work on.

Have them write down what they will do to work on these items and get their signature beside the description. For example: I understand that I need to work on my productivity. I will use my cell phone on breaks or for emergencies only. (signature)

The following week you will have a short meeting with them where you will put a red or green mark next to the signed statements of agreement. After a few weeks of green marks you will move this item to the front page of things that the employee does well. If it continues to be a problem, the many red marks will make it very clear to you and the employee that they are not meeting expectations. Using this will give you a concrete way to track and measure your employees with a needed paper trail.

The key to all of this is consistency. This technique is a simplified, action based, results oriented employee and store evaluation. You must buy in to the process knowing that consistent use will propel your business forward in ways that are hard to imagine.

If you believe in your right to lead your business your valuable employees will respond and you can create great things together. Remember, this is business, not friendship, and there is no need to get angry or overly emotional when having these meetings. Conduct them as an owner with clear expectations of successfully moving forward. The notebook affords you a way of stepping back from personal involvement with your employees – it allows you to track and measure without the prejudice of emotion clouding the picture.

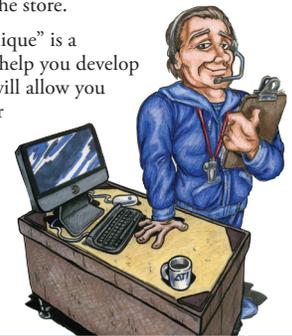
Now comes the most difficult task: your very own notebook. If you are interested in becoming a more successful business owner you will need to become a better leader and your personal notebook is the ideal tool for the journey.

You know the routine: write down what you do well as a business owner. Take a good look at that list and give yourself credit for where you are. Now you need to take a long hard look at yourself and come up with areas that you need to improve. This exercise alone will often paralyze people. It's not easy to know that we will need to step out of our own comfort zone and address habits and behaviors that are not serving us well. This is much more comprehensive than putting down a cell phone. We may learn that we have to overcome our fears and bad habits, and when it's in black and white it becomes harder to ignore. Using this tool on yourself can literally change your life. The results you get with this process will be directly related to what you are willing to give, your commitment level and ultimately your desire to have a well run, successful business.

Once your business is running smoothly and profitably and you want your Service Advisor to take over it will be easy to make the transition. Have your Service Advisor sit in on your meetings from your perspective. At the end of these meetings have your Service Advisor step out of the meeting so you can have one-on-one time with the employee. This will give the employee the opportunity to address any issues they may have with the Service Advisor. When your Service Advisor is comfortable allow them to take over the meetings while you are still present. This will be a clear indicator of them being ready to take over management of the store.

The “Notebook Technique” is a real-world method to help you develop leadership skills that will allow you to take control of your store, manage your employees and ultimately grow your ideal business.

**What you put in is
what you get out!**



Your Available Training Programs for October and November

October 2010

November 2010

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday/Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday/Sunday
				1	2/3	1 Service Advisor 1 of 8	2 Election Day Service Advisor 2 of 8	3 Shop Owner 1 of 9	4 Shop Owner 2 of 9	5 Shop Owner 3 of 9	6/7
4 Service Advisor 1 of 2	5 Service Advisor 2 of 2	6 Shop Owner 1 of 3	7 Shop Owner 2 of 3	8 Shop Owner 3 of 3	9/10	8 Service Advisor 7 of 8	9 Service Advisor 8 of 8	10	11 Veterans Day	12	13/14
11 Columbus Day 20 Group	12 20 Group	13	14	15	16/17	15 Service Advisor 3 of 8	16 Service Advisor 4 of 8	17 Shop Owner 4 of 9	18 Shop Owner 5 of 9	19 Shop Owner 6 of 9	20/21
18 Service Advisor 3 of 4	19 Service Advisor 4 of 4	20 Shop Owner 4 of 6	21 Shop Owner 5 of 6	22 Shop Owner 6 of 6	23/24	22	23	24	25 Thanksgiving	26	27/28
25 Service Manager	26 Service Manager	27 Shop Owner 7 of 9	28 Shop Owner 8 of 9	29 Shop Owner 9 of 9	30/31 Halloween	29	30				

Sam's Corner

ATI Mastermind 20 Group Goes Fishing



Once a year members of our ATI Mastermind group head out of Annapolis to tackle the Chesapeake Bay after their two-day meeting. From left to right are Gregg Caldwell, Bud

Wildman, Steve Ammazalorse, Eddie Cleveland and Head Coach Mike Haley. This group has been fishing with me many times and typically catches stripe bass in record numbers. These guys had to work all day to catch their limit but succeeded, so fish were available for dinner.

My father exposed me to fishing at a young age, which is what created my passion for the sport. Many of you had the same experience. Many of our Mastermind members have brought their families with them over the years and made a lasting impression on them as well. Whether we are taking the family to a car show,

fishing or a movie it is important we always remember to spend time with our loved ones while we have the opportunity to.

My family couldn't afford a boat when I was growing up so it gave me a burning desire to have one someday, which motivated me to create ATI so I could afford it. However, lately I have been chartering since I have experienced the greatest two days of boating, buying them and selling them! I am off to Islamorda, Florida, next week to fish the World Championship All Tackle Bonefish Tournament with Capt. Greg Poland in his new Hal Chittum flats boat. Wish me luck, I will really need it!



**Automotive
Training Institute**

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