

# ShopTalk



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## When It's Tough to Get Out of Bed

While my alarm is set for 6 a.m. each morning, I often wake by 5 a.m. Those are the trickiest mornings. As I lie there, trying to get back to sleep, I can make all kinds of side deals with myself.

I'll think, "I've been lying here 15 minutes, and now I've only got 45 minutes until it's time to get up. Forty-five minutes isn't worth falling asleep for; I'll move my alarm to 6:15 a.m. to give myself a full hour."

Then when 6:15 a.m. comes, I'll rationalize that because I had trouble sleeping, I may as well get up at 7 a.m. to make sure I'm not too sleepy later in the day. Then when 7 a.m. comes, I'll talk myself into some other reason to stay in bed. That morning self-talk is a tricky thing.

I have found it's especially tricky when I allow myself to get bogged down in and overwhelmed with too many different projects. While each project has a team of people dedicated to

moving it forward, it's my responsibility to be the innovator, the one in charge of new idea development. Plus, I'm checking in with coaches and Mastermind coaching clients. I want to make sure our clients are progressing and hitting their goals as they should. It's easy for me to feel overwhelmed with all the deadlines and commitments.

My favorite way of dealing with overwhelm is to avoid it. To stay away from my desk so I can steer clear of that feeling of pressure and even inadequacy for not getting all the work done, for not being able to keep up.

I believe this is the reason for the so-called "shiny object syndrome." You know it as the decision most shop owners make to switch from one thing to another, constantly changing direction before anything gets done.

Coaches see it all the time. A shop owner gets excited about one idea. Then, two weeks later, he's working on something completely different because now he's excited about that.

I believe the syndrome is caused because people start to feel frustrated and self-conscious when they haven't gotten a project completed as quickly as they had hoped. It's easier to blame the project and call it a bad idea. They run to the next new thing that'll make them feel excited rather than frustrated. People avoid pain. If a project gives them pain because it's incomplete or is taking longer than they had hoped, then they want to run away from it.

It's a classic avoidance mechanism.

I understand. A lot of projects take me longer than I expect. In fact, most do.

It's easy for me to focus too much on the deadlines I miss, and not on what I accomplish. It doesn't seem to me that much is getting done because I see the long list of goals and projects I want to complete. And for me, it's often overwhelming.

Do you want to know what makes the big difference between jumping out of bed and running to face my day versus avoiding it? It's really two things, the "why" and a primary goal for making the "why" come true.

The last few weeks it has been easier for me to get out of bed and focus on the projects I want to complete. The reason is simple. For the first time, I outlined why I'm doing them. I wrote down the reasons why I'm completing important projects. Some of the reasons relate to financial goals, and others are to prove to myself and others that I can do it. To stay motivated, I review my outline several times a day.

Now I have reasons to get excited. Things that make me want to get to work early. My "whys" are keeping me focused on my goal so the frustrations and the little negative voices don't slow me down.

When you feel frustrated, try this: 1. Outline the reasons you wanted to build your shop in the first place; and 2. Identify the ways you are going to make those things happen.

There will still be frustration, and you'll still face setbacks. However, when you are doggedly determined to fulfill one primary goal and you keep your mind focused on what life will be like when you accomplish that goal, there is nothing you can't overcome. **ATI**



## Craig Courtney Is Always Learning

Craig Courtney started working on cars in high school, and that's when he knew he had found his career.

"I just have a passion for it," Craig smiles, "and I never get bored because cars constantly change. There are always different models, different makes. You're always learning."

After working in a couple of partnerships, Craig opened C&M Auto Service in San Francisco. He had some help from his brother-in-law, who took on the role of a business coach.

"My brother-in-law helped me get the business going in 1999, and he stayed on me regimentally to make sure everything that he put into place was taken care of," Craig explains. "He made sure I got the equipment I needed, and we put together a business plan. He was pretty much my first coach."

About three years ago, Craig realized he had let his shop fall into the mode of needing to bring in a lot of cars to make money because he wasn't charging enough for the work he did. When a friend suggested going to a AAA

seminar, Craig jumped at the opportunity. And that's when he discovered ATI and a better way of doing business.

"I learned that it's not about trying to work on 100 cars a week," Craig says. "It's trying to work on 50 and just check them out properly and sell it. Before ATI, we were trapped by working on car count, focused on car count and not taking advantage of the opportunities we had."

With the help of his ATI coach, Craig has implemented doing checkouts on every car that comes into C&M Auto Service.

"Every time a car comes in, we have a checklist to go over the vehicle. The guys turn it in, and basically the service writer goes through it with the customer and tries to upsell if that's what the car needs," Craig explains.

Since the C&M technicians work on a flat rate, it was easy for Craig to explain the advantages of using the checklist: "I told them, 'Hey, you're losing money trying to pull in and out 20 cars a day. Isn't it better to pull three cars in, check them out properly and spend



time on those three than pulling cars in and out? You're getting robbed of all that time."

Another thing Craig has learned from his ATI coach is to pay close attention to his shop's parts margins.

"I make sure the parts margin is up," Craig says. "If it's down, I'm losing a lot of money, so I check each invoice. A perfect example was just a couple of months ago. One week we did \$42,000.00 gross, and our net profit was \$20,000.00. The following week we only did \$30,000.00 gross, and our profit was still \$20,000.00. And it was due to the parts margin. Our parts margin was 30 percent when

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## Sam's Corner

### Networking: Worthwhile or Total Waste?

About 25 years ago, a businessman named Ivan Misner began meeting with some business associates to discuss marketing strategies and brainstorm with them about how they could attract new customers to their businesses. Their discussions led them to analyze their businesses in several different ways: best practices, worst practices, whether they needed *more* clients or just the *right* clients. They concluded they wanted more clients, but they would prefer to have the *right kind* of client. They wanted a client who was *warm*, predisposed to trust and consequently to spend money (substantially more money) with them, rather than a *cold* call or just someone walking through the front door. But how? They began expanding their meetings and invited other business owners to come and share their ideas. As a result of these meetings, they started doing business with one another. It was an "aha" moment. As the group grew and developed, they fine-tuned the meetings and had an agenda — and their numbers started growing like wildflowers. They eventually became known as BNI (Business Networking International), with thousands of chapters meeting weekly to share their *businesses* and their *business* with each other,

resulting in billions of dollars in sales annually. Since BNI's inception, hundreds of independent groups have formed, duplicating BNI's successes.

Who is the ideal networker? Simple: someone who loves what they do and is passionate about their business. That may not necessarily mean the owner of the company, though. Huh? It's true; it may be your administrative assistant, your service advisor or your best customer-service rep. You may be a burned-out business owner, still working in the trenches. You may be the worst person to be out there representing your company!

The ideal networker is a *giver*, not a *getter*. Never go into a networking meeting with an attitude of "what's in it for me?" or "how many sales can I squeeze out of this group today?" Always go with the goal of hooking people up with other people. Slow and steady wins this race! Be the person who brings guests and brags about them, their business, etc. Be the person who makes introductions between business people, a "matchmaker" of sorts. Be outgoing and generous; share ideas and marketing strategies; be a mentor to younger or newer business owners. Remember: it's *net-working*, not *net-sitting* or *net-eating*! Once you master this, guess who they are going to call

when they need advice, or when they know about someone who needs your expertise?

So, how do you get started? There are groups meeting all over your area (unless you live under a rock)! You can search "local networking groups" online using key words such as BNI, Le Tip, etc., to find some that are local. A Chamber of Commerce is a starting point for meeting people, and if the local Chamber is lacking, find some individuals there who would like to form a group, or who may already be in a networking or "leads" group. Not all groups may work for you! Be patient. Make sure the group is a good fit (for you). If not, find another and move on!

Two good books to read: "Truth or Delusion" by Ivan Misner, and "Mr. Schmooze" by Richard Abraham. "Truth or Delusion" is like a daily devotional; "Mr. Schmooze" is a fictional masterpiece about the ideal networker.

By Glen Hayward, Owner,  
Good Works Auto Repair,  
Tempe, Ariz.



# Focus on Labor and Cars Will Follow

By Geoff Berman



### Knowing Your Labor Inventory Will Help!

It is a common myth, believed by most shop owners, that more cars equal more cash. I have found that this is usually not the case. The fact is most shops have more than enough cars. They just don't manage their labor inventory properly. A typical day might start out with a few cars scheduled and the rest of the day left to hope and chance encounters. This is no way to run your business. Do you really want to just hope it goes well? Let's say you have figured out that you need 20 cars a day to reach your goals. Is that a guarantee that you will sell the 40 hours you need that day? Here's the problem: what if half of those cars bought nothing but an oil change and you collected half an hour at best on each of those vehicles? Now you have only sold 25 hours for the day. You still need 15 hours to reach your goal. I guess you better find another 30 oil changes to do! Now you would have to put as many as 50 cars through the doors that day to accomplish the same 40 hours of labor sold. That sounds like a busy day.

This happens because you are chasing the wrong thing. Cars don't equal sales, labor hours do. Like it or not, you are in the labor business. That is what you sell. Otherwise you would be nothing but a parts store. Do you make money on parts? Sure you do, but that is not what makes you successful, and it is certainly not what you should be focused on selling. It is labor that makes it all happen. During the production day, the key is to ignore the cars.

### You Can't Sell Labor Without Cars

So now that you can see that cars don't equal sales, let's explore what labor can do. If you know your labor inventory and you sell those hours, you will absolutely hit your goal. You can't necessarily say that if you hit your car-count goal. You really don't know what you will get from those cars.

You might be asking yourself: Where does that labor come from if the cars are not there? Good question! That's the beauty of this whole concept. You can't have labor without cars, so if you look for labor the cars will follow.

Let me give you an example of what I mean. Let's say you come in in the morning and you see there are 10 cars on the schedule. If you believe you need 20 cars to have a good day, then you will look for 10 more cars. That may or may not get you what you want. Maybe you will sell the 40 hours you're looking for or maybe you won't. Now let's say the following day starts the same way: you have 10 cars on the schedule. This time though, instead of looking for 10 more cars, you look at the labor that these 10 cars already on the schedule represent. Let's say the mix of work consists of oil changes, brake work, maintenance and a timing belt. If you add it all up, you have 15 hours you can count on before the doors even open. So you know you need to find 25 more hours in order to sell 40 hours that day. It doesn't matter how many cars help you get there, you need 25 more hours, period! So this is what you focus on.

### Where Are the Hours Going to Come From?

If you are focused on filling the labor inventory each and every day, there are a few steps that you need to follow in order to accomplish this more often:

#### *Start the day ready to go*

First, you must start your day earlier. If you open at 8 a.m. and the service advisor doesn't show up till two minutes before 8, or worse yet they are a few minutes late, your day is doomed before it even starts. Your sales team must have their day prepared before it begins. This can be done before you leave the night before, but it is best to do it first thing so it is fresh in your mind. Spend about a half hour before the doors open and look at what is scheduled and how many hours those cars represent. Then look at the ones that have been there before. Usually that is most of what is scheduled. Look at their service history and see what recommendations are pending. If you took good notes at their previous visits, it should be easy to sell the customer what they need at the drop. Be prepared when they walk in and ask them to purchase those previous recommendations as they drop off the car. When you can, walk around the vehicle with the customer. Call all the night drops at the start of the day. If you practice these strategies, you will make more sales at the start of your day, and you will

increase your labor inventory even further before you turn the first wrench.

#### *Write a good estimate*

Now you must look over the cars thoroughly. Make sure you have a good process for doing this and for getting this information to your sales people as swiftly as possible. If they ask for the sales early enough in the day, they get the approvals and parts faster, production flows better and you will again have increased your labor inventory.

At this point, the hours you still need to satisfy your labor-inventory goal should have decreased. Let's say what was sold at the counter and what you found on your inspection have given you another 10 hours. You only need 15 more hours now to satisfy your 40-hour labor-inventory goal, and you did that with no more cars. The phone will ring, customers will show up, and as you bring more in and continue to sell, keep track of the labor hours. Once 40 hours are sold, that is the point where you are essentially closed for new business.

#### **Focus on the Future**

Start looking to move what is coming in to other days and start to fill the labor inventory for those days. The more hours you put on future days the easier it will be to fill the labor inventory for those days, and you are less likely to slow down. This will also allow you to spread the work evenly so you can start to proactively plan your days and have more parts preordered for maximum efficiency. I know what you're thinking: What if the customer has to do it today? You can always make the choice to take the job on if you need to, I just don't want you to be afraid to ask. It says a lot to a customer that you are busy. It is not always a bad thing. Be proud of the fact you are busy. There's a reason for that.

If you're interested in more information on labor inventory and a worksheet to help you figure out what your labor inventory is, email me at [gberman@autotraining.net](mailto:gberman@autotraining.net). Never forget, where you finish has a lot to do with where you start! Start your day with a plan for success and you will be successful more often.



# Your Available Training Programs for December 2012 and January 2013

| December 2012                          |  |                                   |                                   |                                   |                 |
|--|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------|
| Monday                                 | Tuesday                                | Wednesday                         | Thursday                          | Friday                            | Saturday/Sunday |
|  |  |                                   |                                   |                                   | 1/2             |
| 3<br><b>Service Advisor</b><br>1 of 4  | 4<br><b>Service Advisor</b><br>2 of 4  | 5<br><b>Shop Owner</b><br>1 of 9  | 6<br><b>Shop Owner</b><br>2 of 9  | 7<br><b>Shop Owner</b><br>3 of 9  | 8/9<br>Hanukkah |
| 10<br><b>Service Advisor</b><br>3 of 4 | 11<br><b>Service Advisor</b><br>4 of 4 | 12<br><b>Shop Owner</b><br>4 of 9 | 13<br><b>Shop Owner</b><br>5 of 9 | 14<br><b>Shop Owner</b><br>6 of 9 | 15/16           |
| 17                                     | 18                                     | 19                                | 20                                | 21                                | 22/23           |
| 24                                     | 25<br>Christmas                        | 26                                | 27                                | 28                                | 29/30           |
| 31<br>                                 |  |                                   |                                   |                                   |                 |

| January 2013                                       |  |                                   |  |  |                 |
|--|--|-----------------------------------|--|--|-----------------|
| Monday   | Tuesday                                | Wednesday                         | Thursday   | Friday   | Saturday/Sunday |
|  | 1<br>New Year's Day                    | 2                                 | 3  | 4  | 5/6             |
| 7<br><b>Service Advisor</b><br>1 of 4              | 8<br><b>Service Advisor</b><br>2 of 4  | 9<br><b>Shop Owner</b><br>1 of 9  | 10<br><b>Shop Owner</b><br>2 of 9                                | 11<br><b>Shop Owner</b><br>3 of 9                                | 12/13           |
| 14<br><b>Service Advisor</b><br>3 of 4             | 15<br><b>Service Advisor</b><br>4 of 4 | 16                                | 17<br><b>Master Mind</b><br><br><b>California S.A.</b><br>1 of 4 | 18<br><b>Master Mind</b><br><br><b>California S.A.</b><br>2 of 4 | 19/20           |
| <b>Staffing &amp; Hiring</b><br>1 of 2             | <b>Staffing &amp; Hiring</b><br>2 of 2 | 23<br><b>Shop Owner</b><br>6 of 9 | 24   | 25   | 26/27           |
| 21<br>M.L. King Day<br><b>Shop Owner</b><br>4 of 9 | 22<br><b>Shop Owner</b><br>5 of 9      | 23<br><b>Shop Owner</b><br>6 of 9 | 24   | 25   | 26/27           |
| 28<br><b>Service Advisor</b><br>3 of 4             | 29<br><b>Service Advisor</b><br>4 of 4 | 30                                | 31   |  |                 |

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when we did \$42,000.00 It was 50 percent at \$30,000.00 It makes a big difference.”

Craig says it is important to be consistent when it comes to margins: “If you don’t watch it all the time, you go right back where you were before—trying to get more cars in the door, and really, you don’t need a lot of cars.”

Now that Craig is making more money on each car that comes into his shop, he has more time to spend with his family. He and his wife have three children, a 15-year-old son and two daughters, 11 and 7.

“We just put a pool in our backyard,” Craig says, “so we’ll be hanging out there. And we’re going down to the San Diego SuperConference this year. Our kids wrote a goal list, and I’m writing a goal list about what we want to do as a family.”

According to Craig, coaching is a process that takes work.

“I’m not going to lie; it is hard!” Craig laughs. “It’s one of those things where you definitely just have to implement one thing at a time. You do one thing, and once you get that implemented and working fine, then you go to

the next one. That’s what your coach is there for. He’s the driving force for you. He helps you with meeting your goals. Otherwise you’re just throwing money away, and that’s pointless.”

Craig notes another benefit of ATI coaching: “Without ATI, I wouldn’t know about a lot of opportunities, like Royalty Rewards. I can’t tell you how much that has pumped up my business. I had a slow February two years ago, so I went online and found a mailing organization. I was able to call my coach and ask him about it. He did the research for me, and now I’m reaping the benefits.” **ATI**

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