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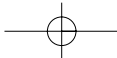
Top Pre-Owned Internet Retailer City Auto Sales

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SERVICE & PARTS-INDUSTRY EXPERT

Retention University 401: Teamwork

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Let me preface this installment of Retention University with the definition of insanity as per Albert Einstein: *“Doing the same thing over and over again and expecting different results”*. It’s time to stop the insanity and start making more money in your service department.

As we all know, new car sales are becoming a commodity. The Internet has leveled the playing field between dealers. Your retention strategy must involve tactics that will make your dealership stand out and be competitive.

constraints. However, there are several ways to build a team environment that do not involve tremendous effort.

TRAIN EACH OTHER:

To get your entire organization acting like a team, schedule monthly one-on-one sessions for employees to shadow someone from another department. Even a 30 minutes session per month will help each employee understand how their job functions relate to other departments. For example new car salespeople shadowing in the parts and accessories department might better understand what vehicle accessories are available. A salesperson who shadows a service advisor might understand the importance of taking their customer to the service department to schedule their first service appointment.

MAKE IT FUN:

Put together a sales contest to see who can schedule the most first oil change

small percentage of them will buy. Why not try to earn their service business at the same time? Give your salespeople a stack of coupons, certificates, key tags or some inexpensive promotional item to distribute to each prospect, inviting them back for service on their existing vehicle.

Service writers can get in on the fun as well. Consider organizing a competition for service writers where they can “score” by walking a service customer to the showroom and showing them new features on current models. Something as simple as showing a customer some cool, new feature on new cars or how satellite radio works can turn them into a lead for your new car department.

PROBLEM SOLVING:

Divide your employees into teams consisting of a member of each department. Each month, bring the teams together and give each of your department heads a chance to present a real-life challenge they are facing. The teams will then be responsible for helping to devise solutions to the problem. This has worked well at my company and I am continually amazed at the creativity and intuitiveness my employees are able to express.

Your favorite college football team will never win a national championship if the offense doesn’t care about or get involved with the defense. It’s time for the automotive industry to follow the same approach. The days of spending 90 percent of the advertising budget on what is becoming the least profitable part of the business needs to come to an end. The dealership’s advertising dollars need to be shared more equally among all departments so that the ultimate goal of effective teamwork, which creates higher profitability, can be attained. Today, it’s time to take your championship.

Until next month... Think Retention!!

Professor Wolfe ≈ADM≈

As a reminder from your freshman class – Retention University 101 class – according to the NADA, in 2004, the average new car department contributed 30 percent of the operating profit; used cars contributed 13 percent. Service and parts brought in the remaining 57 percent! To really put things into perspective, this 57 percent of the profit was from the two departments with the lowest percentage of overall sales.

- New vehicle sales: 60.9 percent
- Used vehicle sales: 27.6 percent
- Service and parts sales: 11.5 percent

Now for reality... if your dealership doesn’t operate as a cohesive team, but instead as separate profit centers, you will never experience truly remarkable and dealership-changing results. After reading and taking many classes on time management, I realize and empathize with each department head’s time

Training Tip-
Schedule monthly one-on-one sessions for employees to shadow someone from another department.

appointments from vehicle sales each month. Make sure you have an easy way to “keep score” because employees are always interested in tracking their progress. Consider a low-cost option like a wall-mounted white board.

In addition, you can organize a similar contest among your salespeople to see how many prospects they introduce to service. Remember, for every customer that comes in to kick the tires of a new or used car, only a