



CAR BIZ TODAY

The Official News Source of The Retail Automotive Industry



THE 10% SOLUTION STEPS TO DELIVERY ON YOUR MARKETING

GLENN PASCH

... See Page 6



WHY ARE YOU STILL CHARGING? DIAGNOSTIC FEES

DAVID LEWIS

... See Page 34



PROS DON'T TALK TRASH CUSTOMERS BUY FROM PEOPLE THEY LIKE

BECKY CHERNEK

... See Page 22



5 WINNING SALES STRATEGIES

Beyond the basics: Use these strategies to increase dealership sales and maximize every opportunity

...See Page 30



SERVICE MEANS SALES

Roger Scholfield, president of Scholfield Honda in Wichita, KS believes a service-first philosophy keeps Scholfield Honda growing and earning customers for life

...See Page 18



BECOMING A GREAT LEADER

Consensus is great, but where does the buck stop? Find management strategies you can implement to give your team purpose and direction

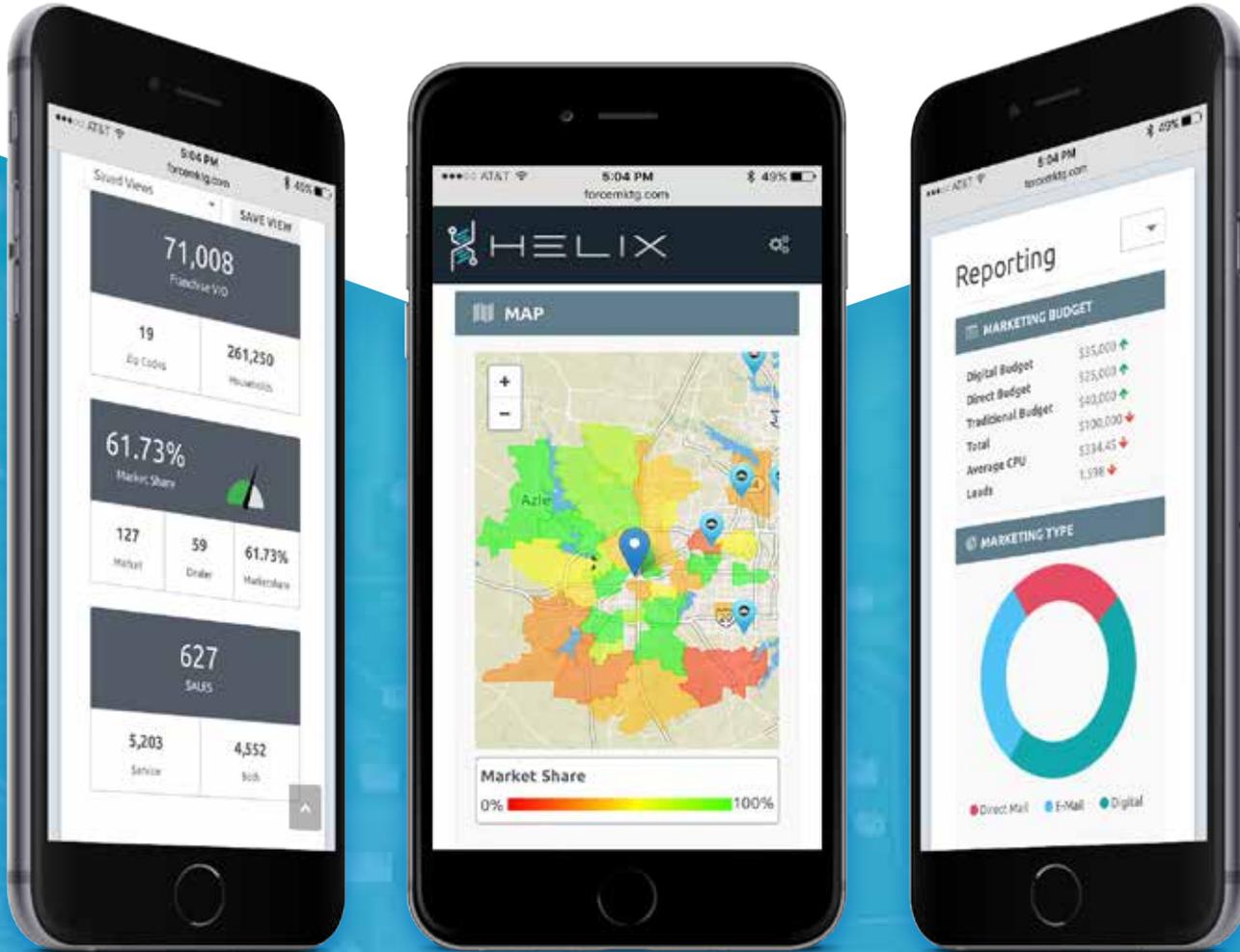
...See Page 8



HELIX

EVOLVING THE DNA OF YOUR DEALERSHIP

Helix allows dealers to view market-specific customer opportunities, generate advanced audience segments for targeting, analyze consumer behavior in real time, track attribution for improved ROI, and much more.



MY MARKET



CAMPAIGNS



LEADS

REPORTING



MARKETING ASSISTANT



FRANCHISE SETTINGS



**GET AN INSTANT LOOK AT YOUR CUSTOMER OPPORTUNITIES.
DEMO HELIX TODAY FORCEMKTG.COM/DRIVEHELIX**

FORCE
M A R K E T I N G

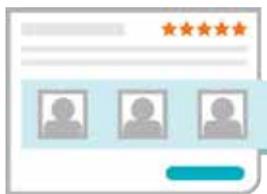
ForceMKTG.com | 866-854-2815



CustomerConnectTM

Stand out. Connect. Sell more.

CustomerConnect allows dealerships to showcase their best salespeople and connect them directly with in-market consumers ready to buy.



STAND OUT

Reward your top reviewed employees with premium visibility on directory and inventory pages.



CONNECT

Engage customers via in-app texting and click-to-call powered by the same technology as Uber and OpenTable.



SELL MORE

Secure enhanced lead and customer activity visibility plus tracking via direct CRM communication.



GET STARTED TODAY

 800.266.9455 ext.1  DealerRater.com/CDP



Letter from the editor



MARY WELCH

Managing Editor

Dear readers,

Roger Scholfield's father had a plaque in his used car dealership office in Augusta, Kansas. It read "Service Means Sales." Vic Scholfield's, Roger's father, was a firm believer that the sales department makes the first sale but it is the service department that creates a loyal lifelong customer.

Today Scholfield Honda, now in Wichita, is the largest Honda dealer in the state. They are only one of eight Honda dealers left who still operate a stand alone express service station and will soon move into a new 54,000 facility that will have 28 lifts — and room to expand.

Service, indeed, means sales.

Scholfield believes if employees are unhappy the dealership didn't hire correctly or train correctly. That's why he holds training sessions twice a week and encourages his employees to better themselves with extra training. A service tech he hired 22 years ago, Ryan Smith, recently placed fourth out of all Honda technicians in an intense skills competition. The dealership has been named the best place to work in Wichita — three times — and has received a Woman's Choice Award.

It's all about training and benchmarks in order to keep improving, he says. He views his dealership in a similar way to football players reporting to training camp. They may know how to block or run a passing play, but in training camp they do it again — and again and again. It's all about process.

Such focus on training and getting the little details correct go a long in employee satisfaction and, by extension, customer satisfaction. Roger believes if the employees are happy, the customers will feel it, know it and appreciate it. After all, who wants to do business with grumpy employees who don't care?

There's a lot to learn from Scholfield Honda. They understand their job and always look to do better — and get recognized for it. It doesn't take a lot of money, nor time. Just the right attitude, which starts from the top and goes all the way down.

Football teams have started their pre-season training both for the returning players and rookies. They will all be going over the playbook and running the plays over and over to become the best. Let's take a look at our own teams and maybe it's time to go over the playbook, get the rust out of our systems and practice being the best over and over again. If we all remember that service means sales and that service stems from happy, trained and engaged employees, well, there will be a lot of wins on the scoreboard.

Mary Welch

Let's go out and give it our best.

In This Issue

6 The 10% Solution
By Glenn Pasch,
CEO, PCG Digital Marketing

08 Becoming a Great Leader
By Alan Ram,
President,
Alan Ram's
Proactive Training
Solutions

10 Industry News

12 Selling What Needs To Be Sold
By Dennis Galbraith,
CMO, Dealer E-Process

14 Fine-Tuning Your Employees
By Chuck Sujansky,
CEO, KEY Group

18 Dealership Profile: Service Means Sales
By Mary Welch

22 Pros Don't Talk Trash
By Becky Cherek, President,
Cherek Consulting

24 Best Practices: Compliant Service Drive
By Jim Radogna,
Compliance
Specialist, Dealer
Compliance
Specialists

26 Ask The Pros

28 The Power of Goals & Managed Measurement
By Michael Roppo, Director of
Fixed-Ops, Automotive Domain
Results

30 5 Strategies: Increase Sales
By Cory Mosley,
President, Mosley
Automotive

32 Association News

34 Why Are You Still Charging Diagnostic Fees?
By David Lewis, President, David
Lewis & Associates

36 Shop Talk: The Sales To Service Handoff
By Rian Locadia

38 On The Set

ADVERTISING

Megan Wilson
mwilson@cbtnews.com
d 678.221.2955

CUSTOMER SERVICE

info@cbtnews.com

SUBSCRIPTIONS

To subscribe electronically, log on to cbtnews.com and click the subscribe link on the side bar. Alternately, forward your company name, your name, address, phone number and email address to info@cbtnews.com or CBT News, 5 Concourse Parkway, Atlanta, GA 30328.

Please send address changes to the above email or mailing address.

Permission to reprint or quote excerpts granted only upon written request. Advertising rates are provided upon request.



JOE VERDE



The #1 Training Company In The Car Business

Call us when you're ready for results like these...

"The things I've learned are my foundation!"

"My first year in the car business I made \$70-\$80K, then I discovered Joe Verde. I went to a [Sales Workshop](#), got his books and started selling the Joe Verde way.

My 1st full year after, I made \$145K! Now I have 8 years of management experience and train my staff with Joe Verde. I know I would not be where I am in my career without Joe's training. The things I've learned are my foundation!"

– Renato Lima, General Manager
Jack Madden Ford, MA

"My goal is \$150,000 and I'm off to a great start."

"Before attending your 2-day '[How To Sell A Car Today](#)' Workshop, I'd been trying to figure it out on my own.

I learned the New Basics...Now I'm able to take the customers from a great greeting all the way into my office and then into taking the car home. My attitude and confidence have never been better, and my goal for 2016 is to finish at \$150,000 and thanks to your training, I am off to a great start!"

– Paul Welch, Sales Consultant
Ken Ware Chevrolet Cadillac, OR

"Sales are missed by a few words, not a few dollars!" – Joe Verde

"Our Buick/GMC dealership is up 29% & Subaru 22%!"

"I started at this dealership in 2011 and was Salesman of the Month fairly consecutively over the next few years. Everyone wanted to know how I was doing it. Little did they know I was a Verde guy after my first workshop in 2006.

I'm now a Sales Manager, and the first thing I did was get [JVTN](#)®. Our Buick/GMC dealership is up 29% in sales, and Subaru is up 22% from last year! Thanks to Joe and Sean Gardner, I have made more money in the car business than many people with higher degrees."

– Patrick Stone, Sales Manager
Roper Buick GMC Inc., MO

"I'm on track to earn over \$100,000 this year."

"I started selling cars just six months ago, and can't express how incredible your training on [JVTN](#)® really is. I learned to trust your New Basics to take the customer from a great greeting to a solid committed buyer.

My commission per unit went from just above a mini to \$800 per unit. Now I have a 15.5 unit average, and I'm on track to earn over \$100K this year. Joe, thanks again for your training – it just flatout works!"

– Zack Winters, Sales Consultant
Lawrence Hall Chevrolet, TX



What You Didn't Know About Joe Verde Training...

Our training is consistent from top to bottom. We have the only complete training for every process, for every person, and for every responsibility in sales and management.

Even though that's true, here's a comment I hear too often from dealers and managers who don't use us, but think they understand our training. Last week, a 30 year veteran General Manager who had to be coerced and shackled (OK, not shackled) into attending our [Dealer / Manager Leadership](#) class, told me at the end of class...

"I've had your (training) stuff in my office for years and never looked at it even once. When somebody said, 'I see you use Joe Verde's training,' I always said, 'No way, I don't like it, somebody else left it here.'

But I am completely blown away by your class – it is nothing close to what I thought. We're doing so many things wrong and have so much potential – we're the dealership sitting on that gold mine you talk about, and I wish I had come to class years ago." Lexus, GM

I hear that way too often after class about our training. This GM wasn't even sure why, but he just didn't think he'd like our training.

The focus of our training...

Our focus is on *education* and common sense processes to sell more units and maximize the gross profit on every unit you deliver.

Call Now!
888-420-0025

The 10% SOLUTION



Steps to Delivery on Your Marketing

BY GLENN PASCH



Every month dealers spend anywhere from \$10K to over \$100K a month on marketing. From traditional ads on TV, radio, newspapers, direct mail to digital services and live hosted events. The numbers are staggering when you step back and review.

While all dealers hold their marketing vendors accountable for performance, as they should, my question for you to think about is:

How are you training your team to deliver the customer experience you are marketing?

In many ads we see how the promise of excellent service is shared. “We will treat customers like family,” “Been in business 50 years,” “Thousands of happy customers,” “The no haggle promise!” and the list goes on and on.

As great as these marketing slogans are, they are just that. A slogan. It will remain a slogan unless the leaders in the dealership are focused on training their team to deliver on this promise.

Let’s use an example of an average dealer who is spending \$40K a month across all marketing, which means over a half million dollars a year. We are not even including all of the salaries for the individuals who will interact with these customers.

LET’S TALK COMMITMENT

What should be the commitment to training the team? Would a 10% investment of matching dollars against the marketing budget for this training be too much? A 10% investment to impact the other 90%? So in this case \$40K over the entire year?

Now before you throw this article away, or say, “Glenn are you out of your mind!” let me turn the mirror around. What if we change the discussion to an investment of employee’s time?

- Would 10% of a manager’s hours each week being devoted to training the team be too much to ask?
- Would 10% of an employee’s time to train on product or online education be too much?

Let’s think about this. If we could get one hour of a manager’s time each day to coach individuals on their team to perform better, could you envision how good that team would be a year from now?

Is that unrealistic?

MASTER THE BASICS

My son has a baseball coach, Brian Ciuffreda, and he taught them a very simple warm up routine they do before each game and practice. He instructs

“If we could get one hour of a manager’s time each day to coach individuals on their team to perform better, could you envision how good that team would be a year from now?”

“How are you training each member of your team to deliver the excellent experiences that you promise in your marketing?”

them that games are won by mastering the basics. He devotes time each practice to overseeing these basics. He is constantly out on the field watching and making adjustments.

If we apply this same philosophy to your dealership, how are you training each member of your team to deliver excellent experiences that you promise in your marketing. Do your managers watch how your team is “playing their game”?

Let’s do a quick experiment. I want you the reader to take a moment and think to yourself, what would you tell someone is the reason a customer should do business with you. Buy a car, service a car, trade in their car, finance a car etc. I want you to think of it and write it down or say it out loud.

If I quizzed your team would I find they say the same thing as you?

Does your team explain how they deliver on that promise the same way?

Does each department understand exactly their role in delivering this experience?

For example, do all service advisors greet the same way, go through their process the same way thanks them the same way etc.

Do your receptionists greet the same way? Do all of your salespeople treat customers the same way?

You expect this when you travel. You go back to certain businesses for consistency of experience, not because “I wonder what will happen this time”

Do your customers look at your dealership and brag to their friends that every time they deal with you it is a great experience?

If not or you are unsure you need to address this.

STEPS TO HELP YOUR TEAM DELIVER THE CUSTOMER EXPERIENCE YOU DESIRE

It takes time and work, so I want to warn you but if you do invest the correct time and effort you are wasting dollars.

- 1 Decide on the end result. What is the experience you want to create or deliver?
- 2 Look at every customer touch point and begin setting up a process that delivers on this. From website, to email to phone call to social to every customer touch point, think of what your team had to DO in order to deliver on that experience.
- 3 Write out every process step by step. Make sure everyone who will engage in

that process is trained correctly to deliver the experience.

4 Make sure everyone understands what every department does because their performance may have an impact on that department as well.

5 Get the right trainer and follow a consistent training process.

6 Put a process in place where the coaches/managers are responsible be out with their team to see how the staff is executing on each step, not just looking at end results.

7 Keep retraining and inspecting on the employee performance or else your experience will fade.

Spending a half or over a million dollars to drive people to your dealership or business is not an inconsequential sum. Without the right people and processes in place that work to deliver the experience you envision you are wasting much more than 10%.

The auto industry is still a people business. It is time to invest the right 10% to impact the other 90% of your budget. **CBT**



GLENN PASCH
CEO of PCG Digital Marketing

Glenn is a trainer at heart. He is a highly sought-after speaker, writer, coach and operations strategist, as well as a customer service fanatic. He has spoken throughout the U.S. and Canada, educating audiences on a variety of topics including business leadership, change management, digital marketing and the impact of this new technology on culture, business and society. Visit the website www.pcgdigitalmarketing.com





BECOMING A GREAT LEADER

Consensus is Great, But Where Does the Buck Stop?

BY ALAN RAM

I am a believer that people want and need to be led, whether they admit to it or not. They crave structure and direction in their daily lives. However, over and over again I see leaders who don't necessarily lead. Understanding real leadership is critical to a dealership's success.

The first step in moving your dealership from good to great is implementing management strategies for training to give purpose and direction to your dealership and sales staff.

LET'S TALK ABOUT "BUY-IN"

As a telephone and management trainer, I talk to plenty of Dealers who have never effectively trained anyone on anything or held anyone accountable for their performance. These are the Dealers that want

to get consensus from their staff, and "buy-in" from their management team in order to make a decision. Think about this; when you send your children to school, do the teachers come by and get buy-in from the children? No, you make the decision that they are going to go to school, regardless of what the children say. Why would it be any different for your sales staff? In most cases, the Managers that these Dealers want to get buy-in from have never been trained themselves. Whatever it is you're wanting to see consensus on, if your managers had something better, they probably should've executed it by now, right?

If you haven't trained your people or held them accountable for anything in the past 10 years, it is ridiculous to expect them to agree that they now need training and accountability. If you are in a leadership position, you cannot be afraid to make a good decision.

The bottom line is that leaders lead. It's okay to have discussion amongst your management team about a change you'd like to make, but at the end of

the day someone needs to step up and make a decision, and enforce that decision. Remember that the best organizations move with speed and purpose.

SO WHAT IS REAL TRAINING?

Great managers train their people to do the jobs that they hired them to do. That may sound basic and obvious, but many managers are still struggling with making this a reality in their dealerships. If you will not train your people, how can you expect to have a top performing sales staff? The answer is that you can't.

I have seen many dealerships buy into a lot of nonsense that's being passed off as "training," but really isn't. Sending your salespeople to sit in an eight hour seminar at the local Marriott is not training. That's like expecting to become good at golf by watching other people play. That is only education. While education is part of training, it is only one element. You cannot excel at anything simply by watching it.

For training to be effective you need to have

“For training to be effective you need to have education, simulation, and accountability with consequence..”

education, simulation, and accountability with consequence. These three elements constitute the training process; missing any one element will make training ineffective.

Think about professional football. Professional football players don't just watch the game on TV and expect to play well. They go to training camps and practice daily. They simulate plays over and over again, and ultimately are held accountable as every player is graded by their coach in every play, in every game. That's some serious accountability. What about consequence? If they don't perform, they don't play, or they get cut from the team. It's that simple. If this formula works on a professional sports team, it will most certainly be effective for a sales team.

EFFECTIVELY IMPLEMENTING TRAINING

As a manager, understanding the importance of continuous training is critical. Knowing how to implement the elements of training is even more critical. Here's how you can incorporate those three elements that constitute the training process to train your people once and for all:

You must educate your salespeople. They need to not only understand what to do, but why you want them to do it. An important part of educating your salespeople is making sure they understand the 'why', and that they internalize and memorize what they learn.

You must simulate. This can be done through simple and effective role-playing exercises. Simulation must be done on a consistent basis to achieve maximum benefit. The goal is for your salespeople to get good, and stay good, at what they are learning. Think about this. In professional baseball, whether you are the rookie on the field or last year's national batting league champion, you still take batting and fielding practice every day. The same should be true with your sales team.

You must hold your people accountable. Great managers hold their salespeople accountable for what they have learned. One

example of an accountability tool in the telephone training space is call monitoring. In order to have accountability on inbound sales calls, your managers must actually listen to these calls. When salespeople know that they are being listened to, and that they will be held accountable for their performance, their effort level naturally rises. The concept is simple. Train your people and then hold your sales staff accountable for what they have learned.

You must have clear consequences. If people are not performing, if they fail to meet your standard,

your salespeople need to know that there will be immediate consequences. For example, if you are monitoring your sales calls and one of your salespeople repeatedly mishandles calls, a consequence could be him or her losing the privilege of taking sales calls.

TAKE THE NEXT STEP

While many Managers are great at desking and closing deals, they don't all have the skills necessary to successfully manage a sales staff. Being a great manager and leader means being willing to step up your game and take the initiative to train your team. Stop talking about "buy-in" and consensus, and be a manager that is willing to make good decisions and direct your dealership with efficiency and purpose. Create top performing salespeople through real training using education, simulation, and accountability with consequence. Take charge and move your dealership and sales staff from good to great..

CBT



ALAN RAM

President and Founder of Alan Ram's Proactive Training Solutions

Alan is recognized by most as the best in the automotive industry at increasing individual, as well as dealership, productivity through effective utilization of the telephone, Internet, and client base management. He has worked, and continues to work, with tens of thousands of salespeople, managers, business development and Internet staff from coast to coast, as well as internationally. Alan has worked with several manufacturers over the years and his training has been a staple of Chrysler's certification program at over 2300 dealerships nationwide.





HONDA LAUNCHES HISPANIC MARKETING CAMPAIGN FOR RIDGELINE

Honda is launching a new integrated Hispanic marketing campaign for the redesigned 2017 Ridgeline pickup truck. The multi-platform campaign appeals to the brand's expanding market of Hispanic customers and launched with the Ridgeline's official sponsorship of the Univision Deportes' broadcast of "Campeón de Campeones," the emblematic Mexican soccer championship match between the winners of the two most recent Liga MX seasons.



The new Ridgeline Hispanic marketing campaign produced by Honda's Hispanic Advertising agency Orci includes TV, digital, social and experiential executions highlighting the completely reimagined Honda Ridgeline's unique capabilities and new levels of versatility, while touting its industry-exclusive key features. "NO ES NADA" (<https://youtu.be/hila1d5qs48>), a new TV spot debuting as part of the campaign, features the all-new Ridgeline as a 'mid-size truck with a big-sized heart.'

ASIAN COVERAGE ADDED FOR TECHPRO DIAGNOSTIC SCAN TOOL

MAHLE Service Solutions added coverage for Mazda and Nissan vehicles for its TechPRO® diagnostic scan tool. Software updates cover all Mazda vehicles from 2007 to 2014, plus a majority of 2003 to 2006 vehicles. Nissan coverage includes complete coverage of 2007 to 2014 vehicles.

The TechPRO® diagnostic scan tool was designed for busy technicians by making it easy to use and quick to launch. TechPRO can decode a vehicle identification number (VIN) in seconds with one click. A scan of vehicle wide diagnostic trouble codes (DTC) on all modules takes 30 seconds or less with the Bluetooth-enabled vehicle communication interface (VCI).

The TechPRO® diagnostic scan tool allows technicians to have a faster and easier way to diagnose and repair vehicles by using their current Windows® 7, 8 or 10 based tablet, laptop or desktop computer.that follows in its tracks."

EFG NAMES NEW VP OF COMPLIANCE

EFG Companies announced that Steve Roennau is its new vice president of compliance. Roennau brings 30 years of experience to the role in automotive F&I, sales, and product management.



Roennau has experience in compliance consulting and training/operational development for Chrysler's Five Star initiative, Chrysler Capital, Santander Consumer USA, Hyundai, General Motors, Ford, Mitsubishi, Volkswagen, and numerous dealer groups throughout the country. He is also an AFIP Senior Certified Professional in Financial Services, and has conducted numerous training courses.

EFG Companies combines almost 40 years of experience serving as an industry innovator of consumer and vehicle protection programs that provide world-class product development and administration, go-to-market strategies, training and auditing support across a multitude of channels.

DODGE VIPER UNVEILS LIMITED EDITION MODELS

The Dodge brand is celebrating the 25th anniversary of the Dodge Viper with five limited-edition models that commemorate the final year of Viper production and highlight several of the most iconic special edition Vipers of the past.

"The Dodge Viper has had a great run, and 25 years after it was first introduced, it leaves the supercar world reaching for the records it continues to set," said Tim Kuniskis, Head of Passenger Cars, Dodge, SRT, Chrysler, and Fiat – FCA, North America. "With more track records than any production car in the world, the Dodge Viper ACR will live on as the fastest street-legal Viper track car ever, the car that has set the benchmark for all that follows in its tracks."

LOTUS 3-ELEVEN AND ELISE CUP 250 ROLL OFF PRODUCTION LINE

Two of the most extreme Lotus models ever produced, the Lotus 3-Eleven and the Elise Cup 250, have driven off the production line for the first time at the Hethel factory. The two, hard-hitting lightweights represent the latest generation of Lotus sports cars, combining high-output engines with the company's dedication to cutting mass, and so boosting performance through intelligent engineering. Developed through the company's Lightweight Laboratory philosophy, every component in each as been assessed, optimized and re-engineered as required.



Jean-Marc Gales, CEO of Group Lotus plc (front right) and Aslam Farikullah, COO of Group Lotus plc (front left) with some of the production and engineering teams responsible for Lotus 3-Eleven and Elise Cup 250 Roll off Production Line

Showing clear intent for the Lotus high-performance sports cars of the future, the 3-Eleven is the company's quickest and most expensive series production car ever.

The 3-Eleven offers a giant-slaying power-to-weight ratio, thanks to a revised V6 supercharged engine developing 460 hp, to provide in excess of 500 hp per tonne. It is capable of sprinting from 0-60 mph in 2.9 seconds before reaching a maximum speed of 180 mph (290 km/h).

Designed to deliver a pure, undiluted driving experience, the Lotus 3-Eleven utilizes an all-new lightweight carbon composite body, and a bespoke chassis evolved from Lotus' ground-breaking work with extruded and bonded aluminum sections.

The Lotus Elise is the faster ever - with a 0-60 mph in 3.9 seconds and a top speed of 154 mph (248 km/h). Powered by a new higher-output version of the supercharged, 1.8-litre 4-cylinder engine, the Elise Cup 250 boasts 243 hp. However, in order to make the most of its power, it shed 21kg compared to its predecessor, to weight just 931 kg. Customers wanting to cut weight still further, and so boost performance, can select the optional Carbon Aero Pack to reduce the vehicle's mass to 921 kg.

The arrival the new cars coincides with the 50th celebrations for the founding of the famous factory in Hethel, Norfolk, when, in 1966, founder Colin Chapman moved Lotus to the purpose-built facility. Lotus is marking this milestone in the company's history with special edition cars and events throughout the year.that follows in its tracks."

LAIRD RELOCATES AND EXPANDS CENTER

Global technology leader Laird announced a major expansion and relocation project for its vehicle connectivity research and design center.

Laird will relocate its engineering, research and design center from Holly, Mich., to a 14.5 acre site in an industrial park in Grand Blanc, Mi. The new building will have more than 43,000 square feet with the ability to add an additional 20,000 square feet in the future. This new building doubles the size of Laird's current, 22,000 sq. ft. facility.



ATLANTA AREA FORD DEALERS HELP AT-RISK YOUTH

Ford Motor Company Fund and Allan Vigil Ford donated a new Ford Transit Connect van to Summerhill Community Ministries – a local organization that provides a supportive environment for underprivileged children to empower and encourage them to reach their full potential.



Summerhill Community Ministries is one of 10 at-risk youth organizations supported by local Ford dealers and Ford Fund - the philanthropic arm of Ford Motor Company. Including this program, Ford Fund and local dealers have also invested more than \$60,000 in at-risk youth organizations throughout the Atlanta area. The Ford Transit Connect will be used to transport kids to after school programs and other activities.

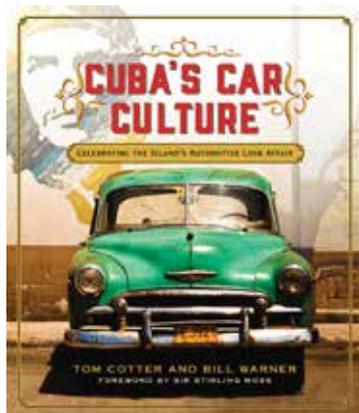
CUBA AND CARS

The story of how Cuba came to be trapped in automotive time warp is a fascinating one and is chronicled in a book, "Cuba's Car Culture," by Tom Cotter and Bill Warner, founder of the America Island Concours. When Cuba fell to communist rebels in 1959, so ended the inflow of new cars. Since then, the trade embargo forced Cuba's car enthusiasts to develop a unique and insular culture, one marked by great creativity, such as:

- Keeping a car alive with no opportunity to acquire replacement parts
- Customizing a car with no access to aftermarket parts
- Drag racing with no drag strip

"Cuba's Car Culture" offers an inside look at a unique car culture, populated with cars that have been cut off from the world so long that they've morphed into something else in the spirit of automotive survival.

The book is illustrated throughout with rare historical photos as well as contemporary photos of Cuba's current car scene and includes pictures of old Chevy Bel-Airs to Studebakers to Ford Fairlanes.



BESTOP ACQUIRES BAJA DESIGN

Bestop, the world's leading manufacturer of Jeep and truck soft tops and accessories, acquired Baja Designs (BD) of San Marcos, Calif. The acquisition reflects Bestop's priority of growing both organically and through acquisitions in the automotive aftermarket. The company continues to invest in brand development and aggressive product innovation, while evaluating opportunities to extend into new product categories.

NAPIER OFFERS AWNING FOR SUVs

Napier, the world's largest developer and distributor of vehicle camping tents announced the The Sportz Cove, a compact, lightweight awning that attaches to the back of your SUV or minivan. The universal attachment sleeve seamlessly connects to amid to full-size SUV creating additional shade and comfort. The Sportz Cove fits a variety of mid to full-size SUV and minivan models ranging from a Honda CRV to Cadillac Escalade. Suggested retail price for the Sportz Cove is \$139.99.



WEEGO LAUNCHES NEW PORTABLE JUMP STARTER

Weego, innovator of portable jump starters and rechargeable battery packs, announced the launch of Weego Jump Starter 44 - an all-new portable jump starter with unique technological features.



Weego design and electrical engineers created Weego 44 to ensure it is easy-to-use, safe and reliable and that it provides power to start a gas engine up to 6.4 liters as well as charge mobile devices including phones, tablets, laptops and other USB devices. Weego Jump Starter 44 is packed with new-and-improved features to reinforce its unique design, ergonomic form and intuitive functionality.

One of the most exciting breakthroughs of Weego 44 is its all-new, patent-pending Smarty Clamps™ that make jump starting a vehicle easier than ever. Designed with a rear hinge point, Smarty Clamps™ have jaws that open much wider than traditional clamps making it easier to connect the device to any battery terminals. The ergonomic design also ensures a better grip regardless of hand size and strength. Each jaw delivers power from both sides guaranteeing the best jump-start connection possible.

AUTOPACIFIC HONORS JEEP® GRAND CHEROKEE AND DODGE CHALLENGER

The automotive research group AutoPacific has named Jeep® Grand Cherokee and the Dodge Challenger "Most Ideal Mid-Size SUV" and "Most Ideal Sporty Car" in their respective segments.

This is the sixth consecutive year the Jeep Grand Cherokee has won AutoPacific's Ideal Vehicle Award for the Mid-Size SUV segment and the fourth year the Dodge Challenger has won the award in the Sporty Car segment.

The 2016 awards are based on responses from over 65,000 owners of new model year 2015 and 2016 vehicles across all major manufacturers. Surveyed after 90 days of ownership, respondents were asked what changes they would make to their car or truck in 15 key categories, including ride and handling, interior storage, safety features, power and acceleration and technology.

SELLING WHAT NEEDS TO BE



SOLD

Spend Time and Money on Cars that Aren't Selling

BY DENNIS GALBRAITH

Auto dealers are awash in marketing options promising to sell more vehicles with less investment. Frankly, it's no secret among those providing marketing products and services that the best way to demonstrate a fantastic return on investment is to take credit for the vehicle sales that would have happened anyway.

Send direct mail to the dealer's database of customers, and you are sure to tap a few who were already going to buy – even without the discount the dealer spent so much money to send the customer. Purchase keywords for the name of the dealer's store and you can take credit for a very low cost per lead, whether or not you change a lot of shoppers' intent to purchase. Sell a dealer leads for vehicles with an average of 23 days supply and the program will enjoy a fantastic close ratio, even if all those vehicles would have sold just as quickly without the leads.

There are a plethora of great marketing options available to dealers, and many of them do, or can, deliver a fantastic value. However, that valuation is nearly meaningless unless it includes some matching between what vehicles the program helps sell and what the dealership needs to sell.

MARKET WHAT'S NOT HOT

The average Honda dealer has 21 days supply of Pilots, and requires no help selling them. However, those same dealers have an 88 days supply of Fits.

The value of a lead on a Fit to a Honda dealer is not worth four times more than a lead for a Pilot; it may be worth closer to 40 times more. The Pilot will undoubtedly fetch a higher gross profit, but it's going to do that with or without any marketing support. The Pilot is hot, and the Fit is not. At this point in time, most Honda dealers need leads for Fits and not for Pilots.

Jeep dealers have a similar problem. Wrangler inventories represent just 43 days supply, but Renegades are at 78 days. It's easier and more profitable to sell Wranglers, but many dealers are already going to sell every Wrangler they can get their hands on. A substantial marketing effort needs to be made toward selling Renegades.

Opportunities abound for focusing promotional efforts on specific models. This is vital for dealers. Some of the product provided by manufacturers virtually sells itself, but other models require a substantial, targeted effort to attract buyers.

From leads, to website visits, to VDP views, dealers can purchase opportunities for models requiring more promotions without spending money on the hot selling models. The reality is most dealers

either purchase these promotional services for their entire inventory, or none at all.

About the only time an all-or-nothing purchase makes sense is when the entire brand is hot or cold. Subaru stores have a 23 days supply of vehicles. Consequently, many Subaru dealers do no advertising whatsoever. Buick has no hot sellers. With a three-month supply of SUVs, and a four-month supply of cars, every model is 75 days supply or higher, compared to the national average of 59 days.

What is hot in one market may not be in another. BMW inventories are generally under control at this time, but some dealers hold more of one or two models than they should, and need promotional efforts to sell those overstocked models.

Luxury brands, in particular, cannot afford to have their dealers running blowout sales when finding themselves overstocked in a particular area. This can cause damage to the image of the brand, as well as the store representing the brand in that market. Search Engine Marketing, LotLinx, direct mail, email marketing, and the purchase of leads can all be targeted for specific models without sending distress signals.

“For those willing to try a switching strategy, custom content and other SEO activities may provide the best return.”

CHANGE YOUR PROMOTIONS TO MEET INVENTORY LEVELS

A dealer's promotional mix needs to change as inventory levels change. Dealers need to sell what they have at the time, and promotions need to change accordingly. Old metrics like Cost-Per-Click (CPC), and Cost per Lead can be a deathtrap for marketers.

It will almost always be easier and cheaper to obtain site traffic and leads for hot vehicles than for those vehicles dealers struggle to sell. Trying to optimize for the lowest cost click or lead is almost certain to lead to an abundance of inexpensive traffic for the vehicles the dealer has no trouble selling with or without advertising.

A case can be made for getting the customer in on whatever vehicle one can, then turning them on to another model. There are two primary challenges here.

1 Most dealers pay their sales teams based on gross profit, and the vehicle with the most gross profit potential is usually the one in short supply. If the store operations don't facilitate vehicle switching, it is pointless to advertise toward this objective.

2 Many dealers find this strategy more difficult today than it was years ago. Shoppers' access to online information generally sends them into the store more informed and focused than in years past.

For those willing to try a switching strategy, custom content and other SEO activities may provide the best return. Hot vehicles tend to stay hot for many months or even years. This extends the long-term return on investment from SEO activity. Custom content can promote the hot vehicle and begin to introduce the alternative vehicle.

Promoting specific models based on demand requires more work, but that is the work vendors should be doing for the dealer. The dealer's need is for transparency, to be able to assess whether the right activity is being performed relative to the inventory the dealer has or will have. Top dealers

share pipeline information with helpful vendors. This assures promotions are aimed at the inventory mix the dealer will have when the campaign is in progress, not just what is on the floor when marketing decisions are being made.

Vendor-dealer relationships cannot be limited to whether or not a purchase will be made. In the modern world of marketing, vendors don't even know what to offer unless they understand the objectives of the dealership.

Dealers need to evaluate vendors based on their ability to achieve specific marketing objectives. Hundreds of leads for hot vehicles and few leads for those models already overstocked is a prescription for disaster, even if the old metrics like CPC and Cost per Lead appear fabulous. Vendors need to listen, and dealers need objectives which are more specific than simply selling more cars. **CBT**



DENNIS GALBRAITH

Chief Marketing Officer at Dealer E-Process

Dennis produces a weekly video series for dealers called "Automotive Marketing Facts" and is the author of two marketing books, "Sales Integration" and "Online Automotive Merchandising." Previously in his career, he ran the automotive Internet division of J.D. Power and Associates, was VP of advertising products and training for Cars.com, and owned two companies that served dealers and vendors. He also has taught marketing for the NADA Academy.

The Looming CPO Challenge



Auto manufacturers have some degree of flexibility to alter the number of new vehicles produced in response to consumer demand. With CPO (Certified Pre-Owned) vehicles, there is virtually no flexibility. The mix of vehicles coming off lease or being deflected is going to hit the used vehicle market and there is nothing anyone can do about it. CPO programs were designed to help elevate residual values, but the flood of late-model vehicles pouring into the market over the next few years will be both a challenge and an opportunity to every brand.

The nightmare scenario is one where off-lease vehicles flood the market at the same time a decline in new-vehicle sales is causing downward pressure on new car

prices. That may be exactly the market dealers will face over the coming months and years. Not only have new vehicles set sales records, they have done so largely on the back of leasing activity. Add to this the fact that the mix of vehicles leased when gasoline prices were high three years ago is not the mix shoppers are demanding, as those vehicles come off lease, and the market begins to look challenging at best.

On the plus side, dealers enjoy better tools than ever before for knowing what is and is not in demand at any given time. More importantly, they have access to better tools for promoting specific vehicles. Some CPO opportunities will be a quick sell with little promotional effort. Others will require either patience or promotions, often with the cost of the former exceeding that of the latter.

Residual values are already coming down. Whether the depths of this challenge hit the market this year, next year, or shortly after is anyone's guess. While uncertainty exists regarding when this crunch will happen, there is no doubt it will happen – and what savvy dealers need to do is prepare for it.



FINE TUNING YOUR EMPLOYEES

How To Make The "Hard" Talk Easy

BY CHUCK SUJANSKY

You know that sinking feeling! Your boss casually mentions that "it's time for your annual performance review" and sets a date and time for that discussion. On most employees' list of unpleasant experiences the annual performance review must rank somewhere near the bottom, just ahead of root canals and tax audits! But it doesn't have to be that way.

Dealerships couldn't function without performance standards for their vehicles. The National Highway Traffic Safety Administration determines safety rules for vehicles. The US Environmental Protection Agency sets standards for pollution. And Corporate Average Fuel Economy (CAFE)

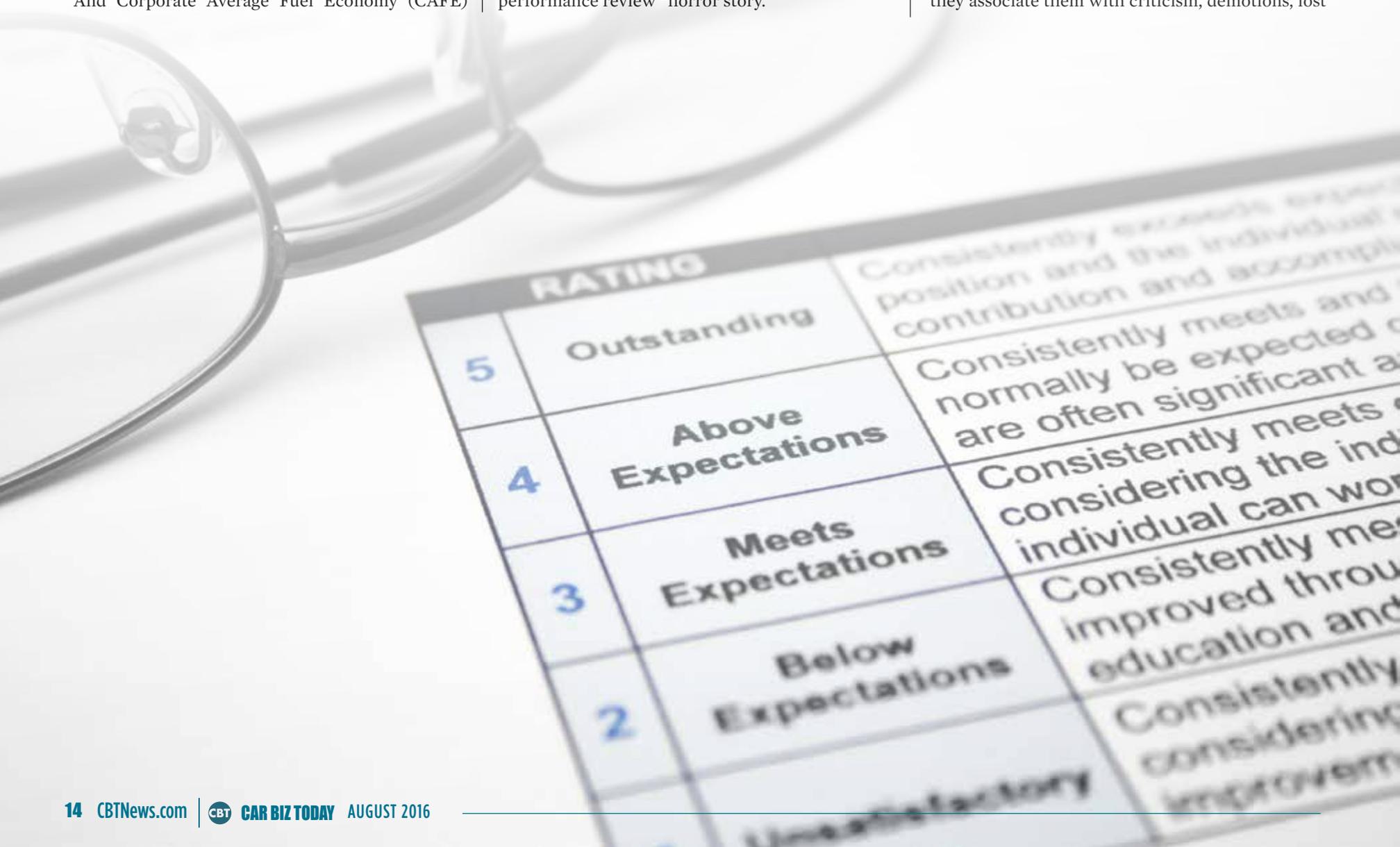
regulations set the standards for engine efficiency and low fuel consumption. Yet too often organizations in the automotive industry, particularly dealers, fail to set standards of performance for their employees. As management expert Peter Drucker pointed out, "You can't improve what you can't measure."

THAT DREADED CONVERSATION

The performance review is a valuable process that can clarify expectations, establish goals and prevent problems from getting out of hand. But the reason it causes so much dread – probably as much for reviewing managers as for employees – is because it's conducted so badly by so many people. You'd be hard pressed to find an employee who didn't have a performance review "horror story."

Why are performance appraisals so dreaded by employees and managers alike? For one thing many employees fear being judged and criticized. Too often the discussion seems to focus solely upon the employee's failings or inadequacies. And those employee fears may be justified if the manager bases the discussion on a worker's personality instead of his or her actual performance on the job. Plus, when the manager's expectations for the employee are unclear (or unexpressed) the discussion automatically seems unfair to the worker.

In many cases the problem is a lack of clear and objective means of measuring the employees' performance. In that situation the discussion becomes entirely subjective and seems totally unfair to the employee. Too often employees harbor negative feelings about performance appraisals because they associate them with criticism, demotions, lost





opportunities and even lost money (should they fail to receive a raise).

The concept of rewarding employees for performance through raises and bonuses seems logical on the face of it, but unless the employees are commissioned sales representatives it can be difficult to measure their performance. Yet, while it may be more challenging to measure employee performance on the service side of a dealership, it's well worth the extra effort.

MEASURING EMPLOYEE PERFORMANCE BY DEPARTMENT

The performance of employees within the F&I Department could be measured in terms of Gross profit per retail unit (new and used), extended service contracts sold, lease penetration or total F&I gross profit (among others). For sales personnel the metrics could include the number of units sold, the number of demos, the closing ratio of ups to closed deals, the number of appointments scheduled, and wholesale profit/loss or Internet sales leads closed.

In the parts department measurable performance could consider calculations like wholesale parts sales, counter sales, repair order sales, and gross profit margins, among others. In the service department employee performance could be calculated by measuring.

"When the manager's expectations for the employee are unclear (or unexpressed) the discussion automatically seems unfair to the worker."

For the service department reviewing managers can take into consideration technicians' flat rate hours produced or clock hours worked, the hours per repair order by advisor, the number of appointments scheduled or the number of carryovers.

Dealerships typically track metrics like these, although not always in such detail per employee. But these variables are "track-able" behaviors and measures that can turn an employee's performance review into a productive, informative discussion. While it's important to track performance by the entire department, discussing an individual's track record is the most effective way to improve individual efforts and sustain overall growth.

HOW NOT TO CONDUCT A PERFORMANCE APPRAISAL

At all costs managers should avoid the tendency to base performance evaluations solely upon personal characteristics. It's too tempting for managers to:

- Base reviews on the employee's personality instead of his or her performance.
"Your not a hard worker – or - you're not a team player!"
- Avoid describing his or her specific expectations and standards.
"You just need to work harder!"
- Speak in generalities and abstractions.
"you're too introverted" or "you're not aggressive enough"
- Gloss over an employee's real problems.

"You're still new here. You'll catch on sooner or later"

- Compare employees with each other.
"Bill used to be just like you, but look at him now."

AN ORGANIZATIONAL TOOL

The performance appraisals can be so much more than just an excuse to critique employees once a year, or used as a justification for giving (or withholding) pay increases. Employee performance appraisals provide managers with the tools to make a powerful impact on their organization. Specifically, managers should consider the following points:

1. Annual appraisals should not contain any surprises - managers should provide feedback on a regular basis.
2. The employee's goals should be made clear.
3. Appraisal meetings should be a chance to clarify and modify goals or standards.
4. Appraisals should include a plan for the next review period.
5. The manager can take the opportunity to do some coaching.
6. And perhaps most important ... document, document, document! **CBT**



CHUCK SUJANSKY

CEO of KEY Group/Applied Behavioral Insights

Key Group/Applied Behavioral Insights is a Pittsburgh based human resources consulting, assessment and training company. Chuck consults to clients across many types of industries, including automotive, retail, financial and health care. Questions or comments can be sent to csujansky@keygroupconsulting.com

PCG Research Report on Conversica

With the same number of leads, two dealers can have dramatically different sales results based on process, technology, and their human resources.

Managers of automotive dealerships know that despite investing in sales training and perfecting CRM workflows, human nature will always impact final sales results.

It's natural for sales associates to choose to work a "fresh" lead in the CRM. In the auto industry, this behavior is called "cherry-picking," and it is costing dealers thousands of dollars each month in lost auto sales.

Our research has also discovered another factor hindering sales conversion: a technical issue that we have not publicly discussed to the degree that would satisfy our concerns: email deliverability.

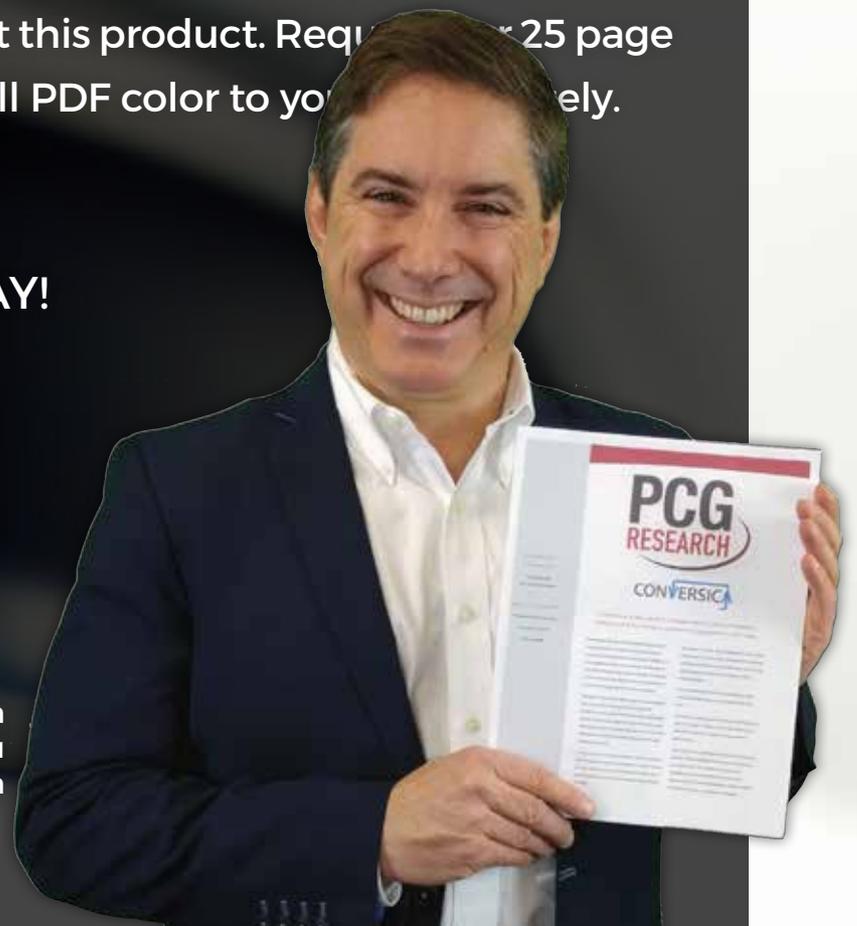
What if the emails that dealers thought were being delivered to customers, were not consistently being delivered? Our research into assisting dealers on how to increase sales by maximizing all their Internet sales leads led us to Conversica.

We encourage you to learn more about this product. Request your 25 page research report and we will email a full PDF color to you immediately.

DOWNLOAD THE REPORT TODAY!

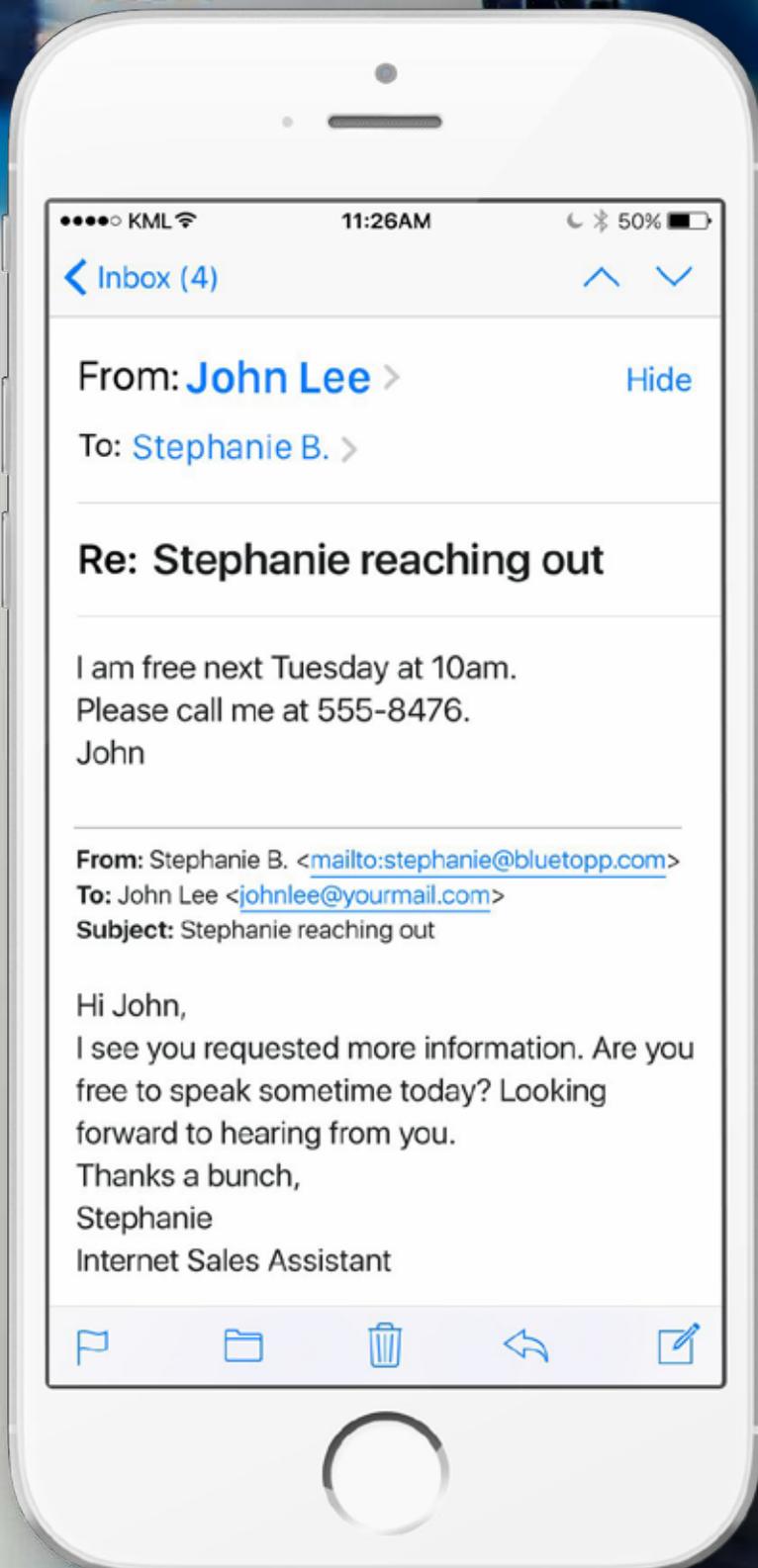
con.ai/pcg-report

Brian Pasch
Digital Marketing Guru
CEO, PCG Research





THE PERFECT COMPLEMENT TO ANY AUTOMOTIVE SALES PROCESS

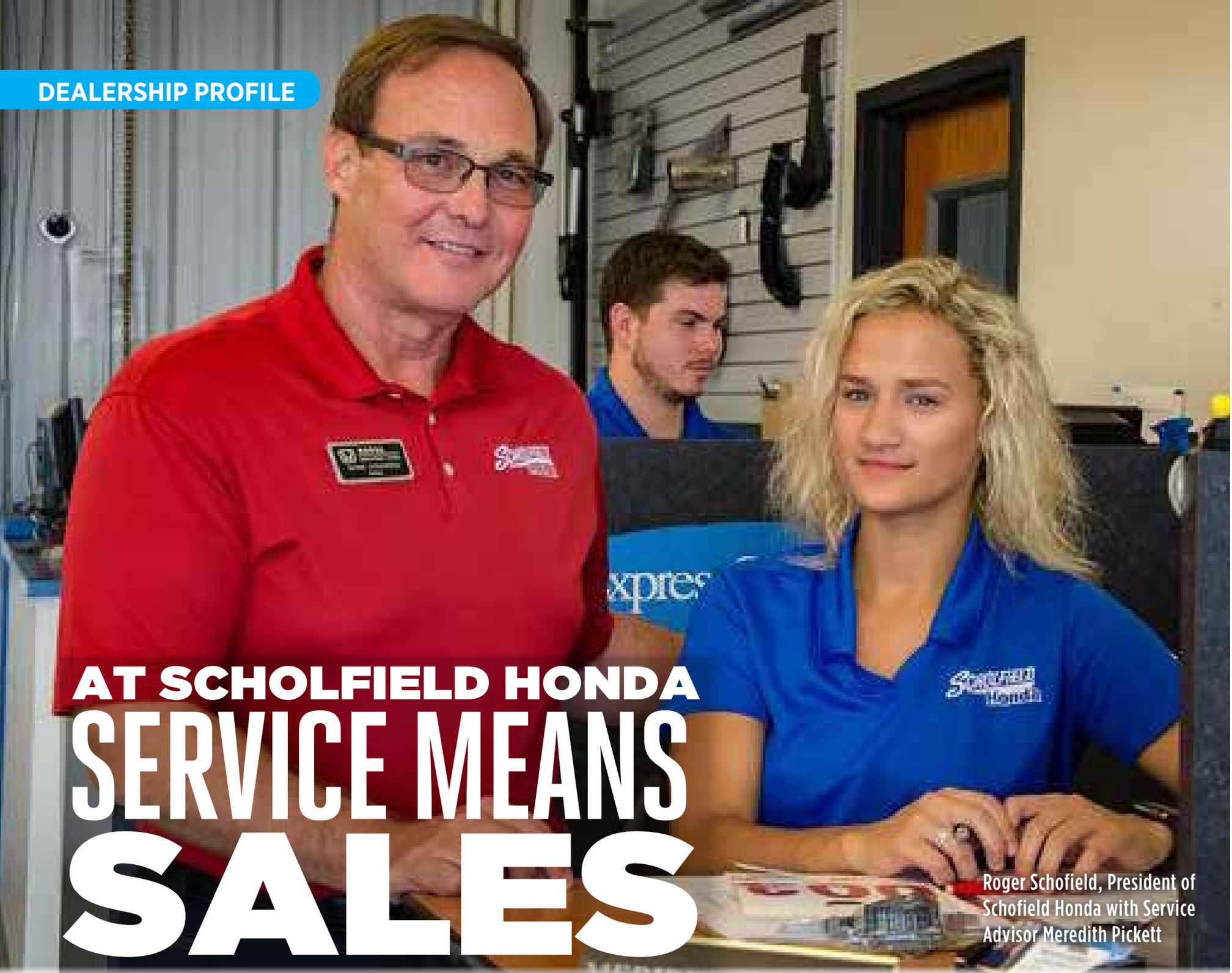


888-778-1004



info@conversica.com





AT SCHOLFIELD HONDA SERVICE MEANS SALES

Roger Schofield, President of Scholfield Honda with Service Advisor Meredith Pickett

A Service-First Philosophy Keeps Honda Dealership Growing

BY MARY WELCH

Vic Scholfield was a visionary when it came to customer service. Scholfield, and his brother Dick, opened up a used car lot in the small town of Augusta, Kansas in 1954. Two years later they acquired an Oldsmobile franchise and in 1957, a Pontiac dealership.

“They were in this small town of 5,000 people and were doing so well that GM took notice and convinced them to move to Wichita. They were outselling the local dealer in Wichita, which at that time had a population of about 150,000,” says Roger Scholfield, Vic’s son.

ALL ABOUT SERVICE

Unlike most dealers, the Scholfield brothers didn’t focus on the sales aspect of the transaction; they

were all about service.

In his office Vic had a plaque that read ‘Service means sales.’ “It was a reminder that sales sells the first car but service sells all the rest. The sales process is a few hours but it’s the service department that keeps them a customer for life,” says Roger. “We’ve always been very particular about having a great service department with the best technicians.”

Today under Roger’s stewardship, Scholfield Honda continues its service first attitude, which is one reason why it is the number one volume Honda dealer in the state. In 2015 he sold 1,533 new Hondas and 1,322 used. The dealership is slightly off last year’s pace but is 3.5% more profitable this year, thanks to the service department and keeping a closer eye on expenses. Early next year he will be in a new 54,000 square foot facility, up from the 30,000 square foot one he built in 1985.

Vic and Dick accepted GM’s offer of a dealership in Wichita in 1965, which meant dropping the

Oldsmobile line. In 1968 they acquired a Mercedes Benz dealership, and in 1971 became the 107th Honda dealer in the country. With Vic in his 90s and Dick deceased, the Scholfields downsized and the non-Honda dealerships were taken over by Vic’s long-time partners, but still under the Scholfield name.

Roger and Vic own the Honda dealership although all the dealers share the same CFO, payroll department, IT, insurance and other departments. In 1986 Roger started working his way up through the ranks at the dealership, and in 1988 his father told him he wanted him to become upper management and take over the HR department. “Well, we didn’t have an HR department. We didn’t have a personnel department. We didn’t have any of those things,” he says with a laugh.

RITZ-CARLTON INFLUENCE

Not knowing exactly what to do, he asked his father what company he wanted to model the dealership after, and he was told the Ritz-Carlton. “You

couldn't do this today but I called the Ritz-Carlton general manager in Kansas City and told him what I wanted. They let me go through their orientations, gave me their employee and training manuals. I learned about lateral service. It was one of the most sharing experiences I've ever done."

It also taught him a lesson. "Everyone has their eyes on customer satisfaction scores but I wanted to concentrate on employee satisfaction and employee satisfaction indexes," he says. "I told our manager that if someone fails here, it's not their fault, it's ours. We either hired wrong or didn't give them the tools to succeed."

Scholfield was one of the first in the business to require drug screening, driver's license checks and other screening tools — all in the name of being surrounded by good people. "You can go into any business and tell about it by the attitude of the employees. If they're grumpy, surly or act like they don't care, it's not their fault. They're overworked, not paid enough, not trained. Customer satisfaction starts with employees."

He was also one of the first to air condition the service department. "Everyone thought I was crazy. It cost \$30,000 and it paid for itself in two months. Techs said it helped their productivity because their energy was sapped by the afternoon because it was so hot and humid."



AJ, Roger and Vic Schofield, 3 generations of Schofield Honda.

PROCESS, PROCESS, PROCESS

Training is another part of maintaining customer service. He holds training sessions twice a week. "It's about having managers buy into what you're wanting to do. We have a great general manager, Brad Cox, who's been with us for years. I also find it invaluable being in a 20 group where I can go off three times a year and share ideas. Honda has a lot of training videos and classes but nothing beats a one-on-one experience so we assign people a mentor."

He likens his training philosophy to football training camp. "It's process, process, process. It's repetitive. Football players go into training camp and start over. They run the plays over and over again. They do the eight or nine things so repetitively that it becomes a part of them. You learn that if you take a short cut, the process degenerates."

Part of the training involves an in-house master tech program and offering bonuses for advanced study. One of his techs, Ryan Smith, who was recruited 22 years ago from a technical school in Wyoming, decided to become a master tech and is now co-shop foreman. Smith decided to test his skills and participated in — and won — a Honda Denver zone technician competition. Honda flew him out to Torrance, Calif., where he undertook a rigorous four-hour diagnostic test competition with 11 other top Honda technicians. He placed fourth. "He was disappointed but I was very proud," Roger says.

He also took a page from FDR and his famed "Fireside chats" and started Roger's Curbside Chats where the entire staff (save for a skeleton crew) gather, talk business, play rock music, dress up in costumes, recognize employees and have a good time. An important part is Roger reading letters from customers. "I get three or four letters a month from people thanking us for our world-class service. One person can make a difference — good or bad. It takes everyone from the reception to sales to finance to service. If one part sucks, it affects the rests. People appreciate it."

Keeping up that service and morale is his biggest challenge he says. "I'm constantly trying to recruit, retain and train," he says. "We're not a nameless dealership. My name is on my shirt and I'm in our commercials. It's very small town Kansas."

PUBLIC BENCHMARKS AND AWARDS

It may be small town but Scholfield wants the world to know. He entered the Wichita Business Journal's 10 Best Places to Work competition. The first year he entered he made it into the top 10 and was the only car dealership. The second year they made it again but he wasn't satisfied. He wanted to be the best place to work, not just in a size category. For the last three years, Scholfield Honda has been named the overall best place to work in Wichita.

"If women are having a good experience here, then the men will. It's when you treat people differently that you have a problem."



“Sales sells the first car but service sells all the rest. The sales process is a few hours but it’s the service department that keeps them a **customer for life.**”

-Roger Scholfield, President Scholfield Honda



He also has been given the seal of approval in the Women’s Choice Awards where female clients are polled about their experiences. “We’ve gotten at least a 90% satisfaction rate. We want our women clients to feel respected and feel like they’ve been treated fairly,” he says. “We don’t take our success for granted. We look at benchmarks and how we can do better. We keep listening.”

He estimates about 20 percent of his employees are women, including one in the service department. “We do a lot of diversity training here. Ultimately people are people. It doesn’t matter age, gender, race. It’s just training and you need to treat everyone with respect. If women are having a good experience here, then the men will. It’s when you treat people differently that you have a problem.”

LOOKING TO THE FUTURE

Roger has been in the business for 30 years and now his son, A.J. is on deck. There still is a lot to handle. Twenty years ago Honda, noticing the proliferation of quick lube places, approached several dealerships about opening a standalone express

service station. Today, only eight of those original service stations are still in business — with Scholfield being one of them.

He is also opening a 54,000 square facility that will feature 28 lifts (with room to expand) and will go from three lanes to four. He won’t say how much the facility will cost other than “A lot.”

“We’ll be adding some new people and keep growing,” he says. “Honda has done really well in the last few years with the new models and redesigns in the Civic and Accord. The new Ridgeline is doing well. My son is on college and wants to work here so we’re just looking to the future.”

Adding, “And, I know that we’ll do well because people are starved for great service. There’s so much poor service out there that when people get a wow experience they appreciate it and come back. It really makes all the difference.” **CBT**



automotive
conference
& expo 2017
ATLANTA • MARCH 7-9



PRE-REGISTER NOW!

**2017 KEYNOTE SPEAKERS:
JON ACUFF & GARY VAYNERCHUK**

CBT CONFERENCE & EXPO

MARCH 7-9, 2017 | HYATT REGENCY, ATLANTA

What's new for 2017?

Lowest Dealer Ticket Price!

Our industry needs this conference so we've lower our early bird ticket price to \$395.

More Keynote Speakers

Just when you thought our line-up could not get any better...think again!

DealerTalks

75+ rapid fire breakout sessions. Get more, in less time.

New Venue

We've expanded to bring in more vendors, more dealers and more take-aways.

The Customer Excellence Lounge

Interactive discussions & take-aways from customer experience gurus.

The Digital Lab

Free consultations with digital marketing & social media experts.

WANT ACCESS TO OUR EXCLUSIVE PRE-SALE?

Pre-Register now for exclusive offers and contests only available to pre-registrants. Ticket sales opening in September.

PRE-REGISTER NOW!

Interested in Exhibiting?

If you're looking to exhibit or sponsor, now is the time!

Contact Karen Locadia today

678.221.2977 | klocadia@cbtnews.com

SEE BOOTH RATES

CBTCONFERENCEANDEXPO.COM
#cbtconference

PROS DON'T TALK TRASH IN FINANCE

Your Family May Tolerate it,
But Customers Don't

BY BECKY CHERNEK

Finance and insurance professionals know the benefit of a consistent menu presentation. It's a surefire method of achieving higher performance by selling more products. But just because someone presents a customer with a menu doesn't mean they lose their voice or personality or that sales process has become an automated one.

DON'T CROSS THE LINE

To the contrary, the human factor is as essential today as it was 50 years ago. A good salesperson leverages his or her humanity to make a connection with the buyer. Simply stated: customers buy from people they like. If you're credible, straightforward and likable, chances are the customer will buy from you. Better yet, they'll come back next time they're in the market—or refer a friend or family member.

However, some finance managers are guilty of crossing the line when trying to make that vital human connection. Worse yet, many of them don't even realize they've gone over the line until they've lost the sale and they're left to wonder, "What went wrong?"

This issue was brought to my attention recently, when an associate told me about her bad experience buying an SUV. It was such a lousy experience, in fact, that she canceled the sale before the papers could be signed. I know the question on your mind: What could have been so



awful as to cause someone to call off purchasing a vehicle they wanted? The answer might surprise you. It'll also give you insight into what not to do when trying to sell a car.

TOO MUCH (WRONG) INFORMATION

In the beginning, all went well. The sales consultant met with her every expectation and it was smooth sailing—until she stepped into the F&I office to meet with the finance manager. It wasn't facts or figures that killed the deal. It was a finance manager who felt it would be to her benefit to attempt to relate to her customer by sharing some rather inappropriate information. Information about what she planned to do with her significant other when she got home that night.

I'll spare you the sordid details. I'm sure you get the picture. But did the finance manager stop there? Oh, no. She kept that ball rolling by going on to discuss her appreciation of a certain book that talks about the various shades of grey.

What on earth was going through that finance manager's mind, I'll never know, safe to say she probably thought her customer's husband—who was in the finance office, too!—would appreciate the topic and encourage the couple to buy more products. It didn't. Instead, it backfired completely and the sale was lost.

You might be surprised by this, but I must admit I'm not. Having worked in the auto sales industry for decades, and having facilitated numerous in-dealership consultations, I have witnessed some of these same antics firsthand from finance and sales professionals who think that taking things over the top will imbue them with a sense of "cool" or "funny" that will get the customer eating out of their hands.

Many insist that customers find this behavior irresistible—but one look at the customer's raised eyebrows or half-hearted laugh will tell you right away that it doesn't work.

AVOID AT ALL COSTS (IF YOU WANT TO CLOSE THE DEAL)

But trash talk isn't limited to just locker room-style banter and other egregious language. Here are some other types of discussions to avoid instigating with your customers if you don't want to lose the occasional sale.

Politics. Just because someone dresses a certain way or speaks in a certain manner doesn't mean their political beliefs are cut and dried. If you want to try to connect with your customers, steer clear of talking politics—even if you're absolutely certain something you say may resonate with them. Political discussions, even among people who agree, can become heated. The last thing you want is to lose a sale because you said the wrong thing about a customer's favorite candidate.

Religion. Do I even need to say why this is a bad topic of discussion with your customers? As with politics, discussions about religion can quickly devolve into full-blown arguments and long-lasting feuds. This is a topic that's not even safe to discuss with your friends and family, let alone strangers. Keep the religious talk out of the finance office.

Gossip. Whether the topic of gossip happens to be a movie star or the competitor car lot across the street, allowing chatter to sink to the level of gossip is a dangerous endeavor. People love to gossip, and it's part of being a human being. But it's also a wholly unprofessional practice that can cause you to look bad in the eyes of the most important person in the room: your customer.

Customers don't respond positively to trash talk. Even if they happen to agree with what's being said! Especially if it's coming from someone they hardly know, whom they're entrusting to guide them through the complicated steps of buying a car. Leave your jokes and your obnoxious behavior to family members, who may or may not tolerate them. At least if things go south with them, you'll probably be forgiven. **CBT**

“Customers don't respond positively to trash talk. Even if they happen to agree with what's being said!”



BECKY CHERNEK

President of Chernek Consulting

Rebecca Chernek, founded Chernek Consulting in 2001, has nearly three decades of experience in the automobile dealership industry. She started by working with her father at their family-owned auto dealerships in Have De Grace, Md. She was the first woman to sell cars for Al Packer Lincoln & Mercury in Baltimore, and in 1989, she was promoted to F&I Manager for Ron Bortnick Ford in Upper Marlboro, Maryland.

Best Practices For Compliant Service Department

11 points to effectively establish clear procedures

BY JIM RADOGNA

Let's face it – service customers can be really hard to please sometimes. Despite the best efforts of dedicated dealership fixed-ops professionals, auto repair-related issues are traditionally among the most commonly-cited consumer complaints. Although many of these grievances may be the result of customer misunderstandings, the accusations may result in significant legal liability and reputation damage. Fortunately, these issues can often be avoided by establishing processes for better communicating with customers and managing their expectations.

Regulations governing auto repairs vary from state to state, but taking a conservative approach can help service departments avoid misunderstandings, stay off the legal radar, and increase customer satisfaction. Here are some recommended best practices:

- Proper documentation and communication is essential. Only perform repair work that has been authorized by the customer and make sure to keep the customer informed. Even if it's not legally required in your state, it makes sense to always provide a written estimate before doing any work. The estimate should itemize the parts to be used and the method of repair. The customer should sign the estimate, so that there is no question that the shop has permission to proceed with the work.
- If a customer is not present to sign an estimate, such as in a tow-in or after-hours drop off situation, the shop should prepare an estimate and contact the customer by telephone, text, fax, or

e-mail for approval before any work is started, including diagnosis. The customer's authorization should be properly documented.

- The estimate should state clearly if any used, rebuilt or reconditioned parts are to be used in the repair. If some of the work will be done at a different shop (sublet), it should also be noted on the written estimate or work order.
- Always get the customer's authorization for additional parts and service before doing repairs that exceed the original estimate. Some states require that all additional work must be authorized even if the cost is one dollar more than the estimate, while other states allow a variance of 10 or 20 percent before authorization is required. Be sure to stay within your state's guidelines. If it is determined that it will take additional work and will cost more to repair the vehicle than the original estimate, the customer should be contacted, the additional work and cost described, and permission obtained to proceed.
- The shop should stick to the method of repair and not substitute parts or change the repair method without the customer's prior consent.

- If a teardown is necessary in order to give the customer an accurate estimate, the dealer should first give the customer a written estimate which includes the total cost of the teardown along with the cost of reassembling the vehicle, and replacing gaskets, seals, and other parts destroyed in the teardown. A notice should also be given that the vehicle or component may not be able to be re-assembled or restored to its former condition. After the teardown, the shop should prepare a revised estimate and contact the customer for permission to do the repairs. If the customer decides not to proceed with the work, the vehicle should be reassembled within the cost quoted unless reassembly proves impossible.

- When the customer authorizes the written estimate or work, he or she should be allowed to request that the shop return any parts that were replaced. If the dealer must return the replaced parts to the supplier under a warranty or core charge, the dealer should make an offer to the customer to show the replaced parts.

- Keep a written record of all work performed as well as parts supplied and always prepare a final invoice which describes all repair work, including all warranty work; all parts supplied, and all labor performed. Always give copies of all estimates, work orders and final invoices to the customer. Protect yourself - if a dispute arises you may be required to show proof that repairs were properly authorized or that you complied with all applicable laws.

- If a guarantee is offered with the repair, it should include all pertinent information, such as what the customer must do to have the guarantee honored; the term, time or mileage the guarantee is good for; what is excluded, if anything; whether the guarantee is prorated; and whether the customer can transfer the guarantee to a new owner if the vehicle is sold.

- Avoid making any statements, written or oral, that may be misinterpreted as being untrue or misleading. For example, shops are sometimes accused of using "scare tactics" or false promises to coerce a customer to authorize unnecessary repairs. Be sure to have justification for any repair recommendations to avoid potential legal headaches.

- Avoid advertising a service at a price which may be considered misleading. For example, advertising a service where the dealer knows the advertised price cannot usually be performed in a "good and workmanlike" manner without additional parts, services or labor; unless the advertisement clearly and conspicuously discloses that additional labor services or parts are often needed.

Most importantly, be sure to establish clear procedures for effectively dealing with complaints before the situation spins out of control. Customers will often give the dealership the opportunity to correct a perceived problem before they contact authorities or post a negative review. Why not take advantage? [CBT](#)



JIM RADOGNA

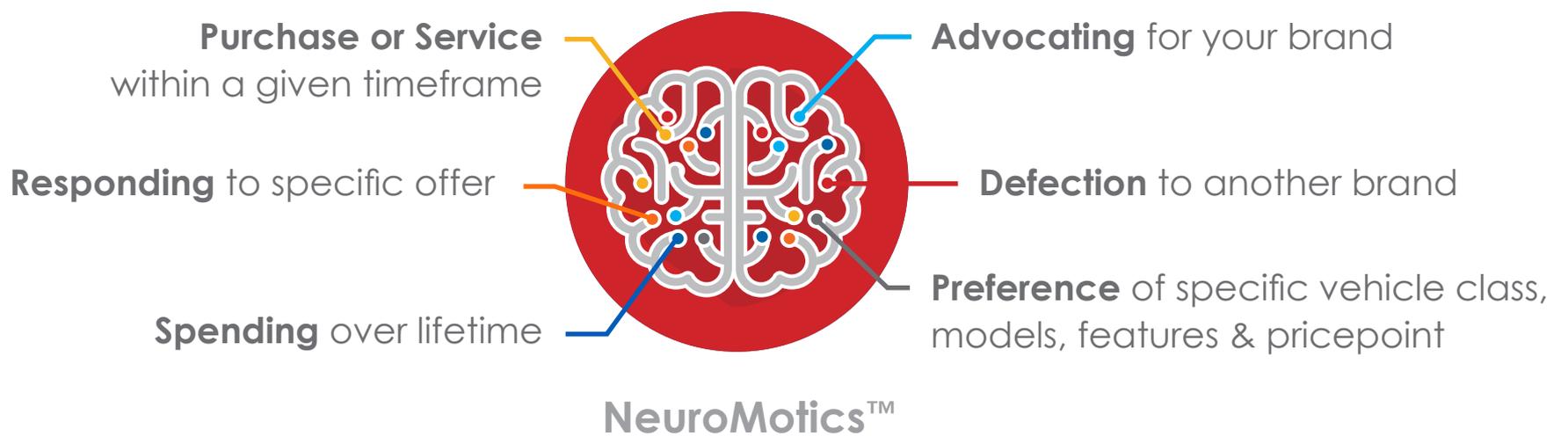
Automotive Compliance Specialist for Dealer Compliance Specialists

Jim is a nationally-recognized auto industry consultant specializing in dealership sales and finance department legal compliance. His background includes founding and operating a national compliance consulting firm, Dealer Compliance Consultants, Inc., as well as having spent over 15 years in various dealership management positions. Being well-versed in all aspects of dealership operations, Jim has used his knowledge and industry experience to develop unique, no-nonsense compliance and reputation management solutions for automobile dealerships of all sizes.



People Aren't Just "Customers" or "Prospects" They're Human Beings

Outsell's NeuroMotics™ Brain tracks every individual's behavior across the automotive web and engages people at the right moment in **their** lifecycle to move them to your dealership.



Contact Outsell to Learn More



ask —THE— pros

We have so many testing devices in our service department that I sometimes have to remind our technicians that it's not always a serious problem. How do I get them to think simple and then go big, if necessary?

-Nick, Pam Beach, FL



A: Brian Medford,
Askmycarguys.com:

That's right and that's a great way to get customers to trust you and your department. Let's take a look about a common case of when a customer has a car towed in and says that the alternator died. What should you do?

First is to get all the information. Get the year/make/model of the car and describe the problem and how it started. Let's say this young woman said the engine electrically dead at the moment, but the previous night she noticed that the headlights were growing increasingly dimmer as she drove. Sounds like a classic case of a dead alternator (or voltage regulator, but they are almost all internal today).

Once the alternator stops recharging the battery it is up to the battery to supply power for ALL the electrical systems. This usual works for a little while but eventually things start to go wrong (like the headlights getting dim or the turn signals slowing down). The best you can hope for is to make it home before the battery goes below the voltage level necessary to trigger the fuel pump and ignition system.

Once in the shop we managed to get the car jump started, which I found odd if it were a bad alternator. I pulled out my voltmeter and checked the battery which read over 12 volts and change. When I attempted to crank the car though I was only met with a series of clicks (makes sense, not enough juice to kick over the starter fully). No problem. It wasn't until I went to attach the jump box that I noticed the high degree of corrosion on the battery terminals. Not quite to the point of being furry, but definitely on the way.

I asked the young lady to tell me more about what the

At CBT News, we are fortunate to partner with the best trainers in the industry. Whether it's information on sales, F&I, marketing, management or fixed ops, our contributors are the go-to professionals for reliable, relevant advice for dealership personnel. You have access to the foremost authorities in the retail automotive industry. Need a new closing technique? Wondering what's the best way to increase sales in the service lane? Send us your questions at AskThePros@cbtnews.com. We'll forward your inquiries to our ensemble of experts.

car had been doing. The previous morning when she tried to crank it she was also greeted with the clicking of a starter solenoid. The battery was only three years old, but those nasty connections were starting to look very suspect. Time to use a battery brush. After a few minutes the battery terminals and clamps were looking a bit better. But was that the problem?

I started the car with the jump box then quickly disconnected it. I needed to see if the car was running on its own (and it was). A check of the voltage at the battery terminals showed a solid 14+ volts, which also matched the voltage at the output lug on the alternator.

Next up was the stress test. I turned on every possible electrical system and waited for the car to warm up to operating temp (so that the radiator cooling fan would kick on). With the whirr of fans motors mixing with the stereo I checked the voltages again: 14+ volts.

I turned the car off and then ran it through a few start/stop cycles. Every time it cranked and ran like a champ. Case closed

I'm intrigued by this Pokemon Go fad and was wondering if there is anything my dealership can do to capitalize on it?

-Steve, Greenville, SC



A: Gino Cipperoni,
Dealer E-Process:

The good news about Pokemon Go is that it actually is attracting a much older audience than you might think. According to SmartApp, 40% of all adults who downloaded the app are over the age of 25.

This is obviously a great demographic for dealers to target, especially when you consider the fact that many of the adult Pokemon players are Millennials who are typically a bit tougher to nail down from a digital marketing sense. What's exciting about Pokemon Go is that it has the potential to proactively drive foot traffic to your showroom in a way that no other digital marketing platform has been able to.

However, with anything that's this new, we need to approach it with a bit of caution and an open mind. I think it's a great idea for a dealer to experiment with Pokemon Go and see if it provides any value.

The great thing is that since the game is so new, advertisers have not yet oversaturated the market, so you can still get good exposure for a relatively acceptable rate. Plus, as the game evolves, Niantic, the company that developed the app, promises to

add new ways of advertising to drive in-store visits.

For example, one particularly interesting ad format within Pokemon Go is something called a Lure. A Lure makes Pokemon appear at a much faster rate in a specific location for a brief amount of time. Businesses can sponsor Lures at their locations as a way to attract more foot traffic.

When a business drops a Lure, Pokemon Go users scramble to that store's location to partake in the Pokemon frenzy that the Lure creates. So, if you're having a huge weekend sale and want to drive extra foot traffic to your showroom, try dropping a Lure on your lot and see what happens. Plus, you can add an incentive to the purchase of a vehicle to anyone who catches a Pokemon on your lot, which not only gives you a way to make money off of the Lure, but also gives you a way to track ROI.

We can't make official determinations about the efficacy of a new advertising platform without testing it, so at the end of the day my advice would be to take a little bit of money and try it out. If you drop a Lure and get nothing but teenage kids gumming up your lot, climbing on cars, trying to capture that rare, elusive, virtual monster that's hiding in your showroom, then maybe Pokemon Go is not right for you.

But, it could be that the car-buying demographic that we know the app attracts just might be inclined to swing by your store, capture a rare Pokemon or two, and then maybe take a celebratory test drive. Again, at the end of the day, you never know until you try, so why not try to take advantage of this new craze and "capture" some new customers!

We were hit with an unfair and frankly mean review concerning an associate. The review focused less on his professionalism and more on him personally. This once motivated and happy employee is now demoralized and hesitant to deal with customers again. What can we do to bring this employee's confidence back?

-Bruce, Mobile, AL

A: John Fairchild, *Fairchild Automotive Solutions:*



Let's face it people aren't necessarily happy to bring their car into the Service Department and frequently not in the best of moods. However, abusive customers can take an emotional toll on employees' attitudes and performance. To keep employees motivated

in spite of facing abusive behavior, managers must underscore that a company “Has its peoples’ backs”.

Here’s a shocker: The customer isn’t always right! In reality, the customer can be hostile, argumentative, or an absolute tyrant to the staff. Increasing levels of emotional abuse exacted by customers can hurt a Dealership’s performance by chipping away management’s ability to retain valuable players who can’t handle the stress. This type of customer breakdown goes far beyond rational complaints, a negative review, or justifiable criticisms.

Service managers need to step in and actively mediate when their associates are under attack. The affected employees relative level of approval with how the episode concluded is determined far more on the support they receive from their company and managers than anything else.

Did their manager step in to help, offer support, or

give them a pause after the incident? Or was the employee expected to simply deal with it? Employees in this type of job want to be rewarded for being the scape goat. This compensation can be relatively informal, such as a public acknowledgment, or tangible such as better pay or job scenarios.

Managers should try to ensure that associates are compensated in direct percentage to the level of anxiety caused by exchanges with dysfunctional customers.

Dealerships should actively alert customers that they will not tolerate abuse—whether through personal follow up and in this case internet review rebuttal.

Customers who regularly act badly, whether online or in person, should be banned from further interactions with the company, and managers can also rotate employees’ responsibilities to ensure that individuals do not bear the brunt of recurrent dysfunctional

customer behavior.

Keep in mind bad temperament can go both ways. Although managers may view the presence of difficult customers as inevitable, disgruntled employees can lead, in turn, to bad-tempered customers. Calming and cheering up the staff, therefore, is the first step to creating an atmosphere of mutual respect. [CBT](#)

If you have a question for our pros, please send it to mwelch@cbtnews.com



Automotive Marketing Roundtable
October 25-27, 2016
Bellagio Hotel, Las Vegas, NV

REGISTER NOW



Keynote Speaker

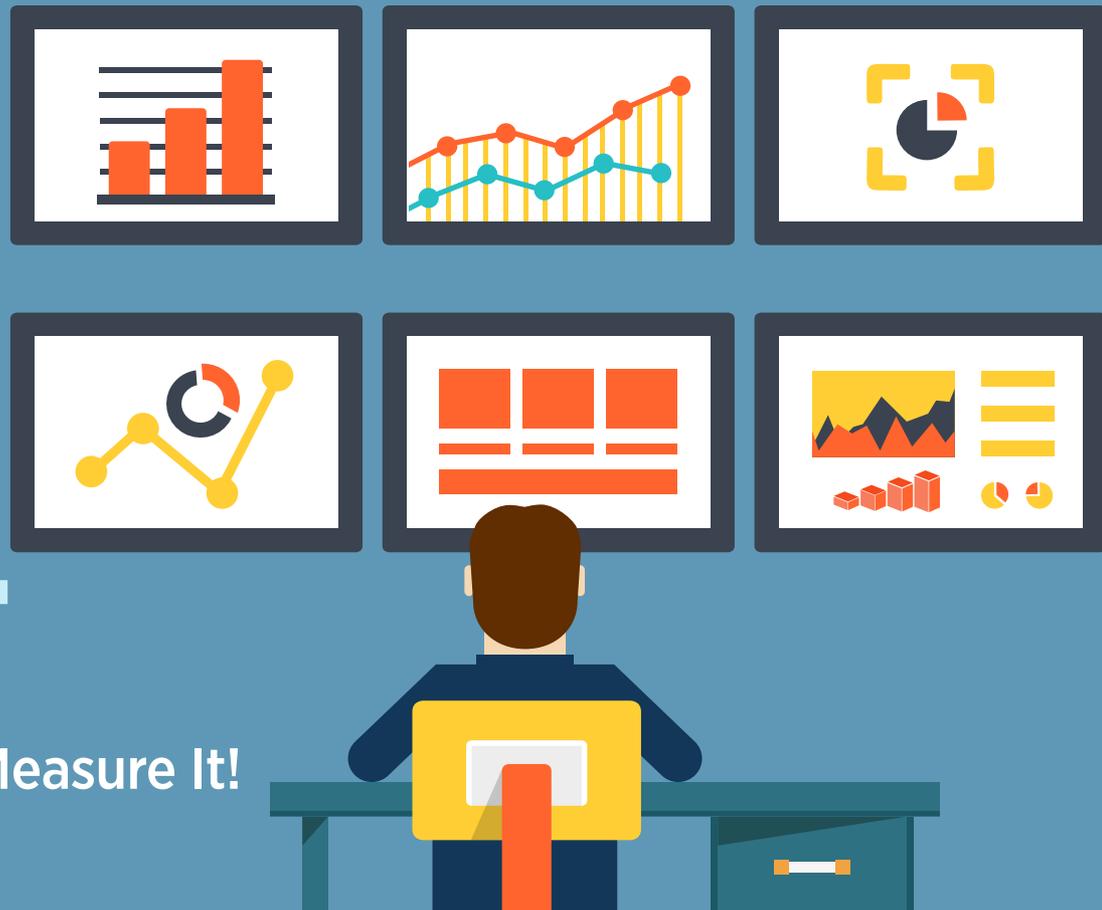
Russell Wager

Vice President of Marketing

Mazda North America Operations

#JDPowerAMR

The Power of GOALS & MANAGED MEASUREMENT



Want to Get Something Done? Measure It!

BY MICHAEL ROPPO

When goals are measured and managed, performance and profitability improve intentionally. Goal setting, measuring and managing performance are always a difference maker for individuals or organizations. Often, however, failure comes because the measuring isn't connected to a one-on-one reporting back on the performance initiative. This leads to having meetings for meeting's sake where everyone's eyes glaze over and heads shake back and forth all in dismay that the goal wasn't met. But still, no one is taking ownership and responsibility or committing to a personal process improvement to deliver the desired results!

SET GOALS, DON'T SPEND MONEY

There is something powerful about setting goals, measuring, and managing Critical Performance Indicators and reporting back on performance. While there are huge benefits in performance coaching, this doesn't mean you have to spend big money to hire a coach. The key is to get a coach and define a path that is right for you and your dealership's specific profit centers. Almost anyone can serve as your accountability or report-back person.

Most people will be thrilled you thought of them enough to ask. Simply share with them:

- Particular goals or areas of performance
- Give them the time frame associated to generating a particular result
- Ask if they would mind if you called them back (or if they would call you) for simple accounting or reporting back on daily, weekly and monthly dealer performances.

- Be certain when you are working with employees or with members of your organization that you also create opportunities for specific reporting back on performance.

Without a reporting back process employees flounder and groups or teams get lost in activities instead of being focused on improvement and results. I love the proverb, "What gets measured gets managed" and "What gets managed gets done!"

PERFORMANCES CHANGE WHEN MEASURED

With a simple mindset that influences what gets measured and managed gets done, reporting and accountability can create the difference in performance that, in some cases, can be profound. If you truly want to accelerate the rate of your performance improvement initiative in your dealership

and business - measure and report your performance on a regular basis with the people that you know can make the shift happen!

This principle often gets applied to all dealership business situations. It can mean that by forcing you to pay attention to an activity and best practice that you can seriously impact and change the activity in an instant. Remember our CPI conversation and publications?

CHANGING PERFORMANCE

It can also mean that producing measurements about the best practice or activity gives you a handle on it, and a way to improve it. If you start adding up your service and sales volume daily weekly and monthly, it gives you a basis for saying and thinking things like:

GOAL SETTING

Specific
Measurable
Achievable
Realistic
Timely



- Our gross profit percentage on customer pay labor can be improved by 7% on average
- We can be picking up another 14K in additional gross profit
- We're not generating enough revenue on parts sales
- We need to do more selling in the service drive with the customer at the vehicle
- Let's set some SMART Goals that will influence performance in every profit center of the dealership.

Call it what you will, what interests me the most is getting into the trenches that drive performance and profitability by knowing the source of that quotation. Chances are you have already considered many of the statements, processes when referencing information concerning setting goals, measuring and managing critical performance indicators and created a new set of goals to achieve for 2016.

Among your goals may be to increase customer retention, the amount of service appointments per day, the dollars per repair order, reconnect with orphan customers and/or increase your business outlook, all of which through a defined process can influence a real sales to service and back-to-sales again initiative. The bottom line is that we all could benefit from some simple goal-setting that involves measuring what needs to be managed in order to generate intentional results.

I am thoroughly convinced that setting goals, measuring and managing those goals, and learning how to master the techniques of striving to reach those goals are a big part in maximizing all dealership profit center performance on a regular basis!

TAKE THE FIRST STEP AND BE SMART

When one learns to master the principles of setting and managing those goals until they become a reality, then, and only then, will they be able to make a great difference in the results they attain in business.

Ok, so maybe you haven't even set any goals yet. No worries, all is not lost! Consider taking the time to sit down and think of what you'd like to accomplish this year in your business. Perhaps you have some long term goals. What can you do this year to lead to greater performance profitability and or sustaining a good business in the future? Just the simple act of having a goal is the first step in having a means to managing what you need to measure and generate what I like to refer to as intentional results.

When setting goals, it's important to make sure that they are SMART. This is an acronym you can use to measure and manage the strength of your goals. While goals are fueled by many best practices, operational inventories and actionable intentions, there is still more we can do to make it productive and personally unique. SMART goals are:

- Specific
- Measurable
- Attainable
- Relevant
- Time-bound

So, let's go ahead and set some goals as well as put



a timeline on them. It could look something like the following:

- "I want to increase the amount of customers coming into our service drive on a daily basis consistently, and I want to do this by October 1, 2016."
- "I want to increase my customer pay effective labor rate from 106.00 per hour to 116.00 per hour by days end tomorrow."

With this structure we have an attainable, definite timeline of when we can accomplish our goals. We are not left to gauge our success based on a vague or immeasurable statement. We could even gauge how well we've been doing on a daily, weekly and monthly basis.

DON'T KEEP IT A SECRET

Another tip to help you achieve your goals is to share them with others. By informing colleagues and other employees responsible for generating those goals about what you wish to accomplish and by when, you become more invested in reaching your goal. These people can help encourage performance. They can routinely check up on you to see how you are progressing. When performance is measured, performance improves. When performance is measured and reported back, the rate of improvement accelerates.

Your goals can take on many different forms. Goals reflect the desires of our hearts and our vision of what we can accomplish. Through goals setting planning and measurement our hopes are transformed into actionable intentional performance and profitability results. While keeping in mind

"If you truly want to accelerate the rate of your performance improvement initiative in your dealership and business - measure and report your performance on a regular basis with the people that you know can make the shift happen!"

that one of the greatest enemies to the completion of our goals is procrastination, lack of measurement and management.

We have all felt the effects of this time thief in one form or another. The best way to fight against procrastination is by identifying when you are procrastinating and acting quickly to accomplish something related to managing your goals. **CBT**



MICHAEL ROPPO

Director of Fixed Operations and Training /QPS at Automotive Domain Results

Michael has more than 30 years experience in training and consulting for Automotive Domain Results and its parent company, The Mironov Group. He helps dealers attain maximum profitability, customer satisfaction and retention by improving the quality of their management teams and the personnel who come in contact with their customers. Visit his website at AutomotiveDomainResults.com.

5 Strategies to INCREASE SALES

How to Maximize Every Opportunity

BY CORY MOSLEY

It is a manager's favorite line: "We need to just get back to basics." While there is certainly something to be said about the benefits of mastering the basics, it is definitely not where we should be making our living in today's economy.

I used to hear with great frequency statements like, "Just get 'em in and we'll close 'em," or "We just need more traffic." Well, most of us have probably learned by now that it's not just about trying to get more traffic, it's about shifting our focus to maximizing every opportunity.

One of the definitions for the word "basic" is "offering or consisting in the minimum required." Is that really good enough in today's aggressive marketplace? Just so we're on the same page here, when I say aggressive marketplace, I'm not merely referring to the economy. I'm referring to the multitude of purchase options consumers have nowadays.

Think about it: How many makes and models can a consumer spend \$15,000, \$20,000, \$50,000, \$60,000, or even \$70,000 on? So, if we all can agree that every "up" really does count, how can we move past the basics and employ strategies to increase our sales and incomes? Well, here are my five ways to do just that:

1. Focus on Authenticity: I always applaud sales professionals who have found ways to create their own brands within their stores. I think about the sales guy in Texas who goes by "Coach," the guy in Jersey who rhymes his name "Meador" with the word "better." See, I appreciate those salespeople who are unconventional

and can sell cars and make a good living because of it. Why? Because they're authentic, and authentic people focus on building long-term relationships with customers. They also are likeable and sincere, and get unsolicited referrals on a regular basis.

2. Take Responsibility for Your Own Education: It is amazing to me how many times I hear someone say they can't attend a workshop or seminar because the dealer won't pay for it. It doesn't matter how long you've been in the business, the game changes on a regular basis. That means you can't stop learning if you plan to increase your earnings.

Take today's Gen-Y buyers. How much do you really know about this buying segment and the radical differences between their buying habits and motivations versus the Baby Boomer generation? My guess is not much. Do you think it might be worth a \$30 book or a \$300 seminar to know who your future customer will be?

3. Employ the "ME + 3 Rule": This rule is one of my favorite principles to teach because it's a real eye opener for salespeople. The rule states that when communicating with a prospect, realize that there are three other dealers vying for your customer's business. So, when you leave your next voicemail or take your next sales

call, remember that there are three other sales professionals who are talking to your customer. That means what you say and how you say it really matters.

4. Focus on Buying Motives: Legendary trainer and speaker Zig Ziglar talks about the five selling challenges: no need, no money, no hurry, no desire and no trust. At the base of any customer objection is a failure to overcome or address one of those five challenges to the customer's satisfaction.

If you focus on identifying and then speaking to a customer's motive for making the purchase, then you should be able to dramatically reduce buyer hesitation and increase your close ratios. When you're able to identify the motive and satisfy the challenges, you can elicit positive emotion from the customer. Remember, practicality causes a person to delay; emotion causes a person to take action.

5. Set and Define Your Goals: Most of us don't get in a car and start driving with no destination in mind. Why not take a step back from the daily tasks of selling to determine and write down the outcome you are seeking beyond just selling cars and making money. What are your goals? What are you about? What do you hope to achieve? What value do you want to bring to your customers? Define your service to others, what you want to accomplish, how you will get it done, and state the outcome as though it has already taken place.

We are in the business of selling cars and that requires change. A military general once said, "Those who hate change will hate irrelevance a lot more." I think that says it all. **CBT**



CORY MOSLEY
Mosley Automotive, President and Sales Strategist

Cory Mosley is an in-demand sales strategist, speaker, and coach whose consulting company Mosley Automotive helps dealers and manufacturers become more progressive and profitable. Cory is the host of Progressive Retail w/ Cory Mosley on the CBT Automotive News Network and the author of The Way I See It, thoughts, commentary, and musings of a retail car guy. Visit corymosley.com for additional information and free content from Cory.

SERVICE DRIVE TODAY



DEALERS
GENERAL MANAGERS
SERVICE MANAGERS
FIXED-OPS DIRECTORS
PARTS MANAGERS

Check out ServiceDriveToday.com for news, information, best practices, training tips from the nation's top fixed-ops trainers, in-depth interviews with industry experts and more. It's completely FREE to all dealership service department personnel!



Jeff Cowan



Bill Wittenmyer



Don Reed



Steve Hall



Lee Harkins

Featuring daily newscasts, guest interviews, and a monthly magazine with informational columns and articles from experts in the auto service industry, Service Drive Today is your trusted source for the latest news and trends in the automotive fixed-ops field.

SIGN UP FOR YOUR FREE SUBSCRIPTION
TODAY AT: SERVICEDRIVETODAY.COM



A Member of the CBT Automotive Network



GARY GILCHRIST NAMED ROBERT P. MALLON DEALER OF THE YEAR

Gary Gilchrist, Gilchrist Auto Center, Tacoma, received the "Robert P. Mallon Dealer of the Year" award at the Washington State Auto Dealers Association (WSADA) annual convention. Selected by a committee of his peers, the award recognizes Gilchrist's contributions to the auto industry, quality dealership operations and outstanding community service.

Gilchrist is deeply connected to Tacoma and greater Pierce County. His grandfather founded the dealership and he's the first-ever third generation dealer to serve as WSADA President – a position he held in 2014/15.

His grandfather, James Gilchrist, started selling buses and trucks in 1927, and later added the Plymouth, Studebaker and Buick franchises. Gary and his brother, John, became partners in 1977 and in addition to Buick, carry the Chevrolet and GMC Truck franchises. The family business now includes the fourth generation with Gary's son Nick Gilchrist as the dealership's general sales manager and niece Stephanie Gilchrist-Leary as F&I Director.

Gilchrist previously served as a WSADA Board member, and is currently secretary-treasurer of the Executive Committee. He was also hands-on member of the Building Committee, spending numerous hours working towards construction of the new WSADA headquarters – the first-ever Association owned building in its 96 year history.

The award is named for former Tacoma dealer Robert P. Mallon who was WSADA President in 1966/67, is a past President of the National Automobile Dealers Association (NADA), served 30 years as Washington State's NADA Director, and is founder and Chairman of the National Automobile Dealers Charitable Foundation.



FLORIDA'S SCOTT LANIER NAMED 2016 NIADA NATIONAL QUALITY DEALER

Scott Lanier, owner of Credit Cars in Orlando, Fla., was selected as the 2016 National Quality Dealer of the Year by the National Independent Automobile Dealers Association during its 70th anniversary convention and expo in Las Vegas. His father was named the FIADA's State Quality Dealer in 1970.

NAIDA National Quality Dealer candidates are judged on several factors including contributions to the automotive industry, the association and community involvement. Sales remain down 4.1 percent year-over-year.

NADA SURVEY RANKS LEXUS NUMBER 1

Lexus ranked No. 1 overall among automotive brands in a recent survey that measured dealer sentiment of franchise value, automaker policies and automaker field staff. Toyota was second, followed by Subaru, Honda, Porsche, Ford, Mercedes-Benz, Kia, Jeep, and Audi.

The National Automobile Dealers Association (NADA) Dealer Attitude Survey, which is conducted twice a year, conveys timely dealer sentiment with the goal of encouraging automakers to regularly engage in constructive and beneficial exchanges with their dealers.

Lexus has retained the top overall spot for the past three years (six survey cycles), and has scored in the top five throughout the last six years.

In addition to measuring overall dealer sentiment, the survey also measured consideration of dealer input on product, product quality concerns, and advertising programs. In the 2016 winter survey, Lexus received the top score for consideration of dealer input, followed by Toyota, Subaru

and Honda. Ford and Kia tied for fifth, and Hyundai, Lincoln, Mercedes-Benz, and Porsche tied for seventh to round out the Top 10.



Dealer response rates to the survey were also measured, as the willingness of dealers to share their views with their manufacturers is one of the best ways to gauge the desire to grow the OEM-dealer relationship on an ongoing basis. Lexus achieved the No. 1 ranking for survey participation, with 89% of its dealers completing the 2016 winter survey. Mercedes-Benz was second at 85%, followed by Hyundai (81%), Porsche (81%), Toyota (76%), Ford (73%), Audi (73%), Lincoln (68%), and Fiat and Jaguar at 66%.

WAY SCARFF NAMES PRESIDENT OF WSADA

Way Scarff, Way Scarff Ford, Auburn was named 2016/2017 President of the Washington State Auto Dealers Association (WSADA) at the organization's annual convention.



Scarff was born and raised in Auburn and today leads the dealership that his grandfather, Wayland, started in 1922, when the automobile itself was just 25 years old. Way's father, Bob, who was WSADA President in 1974/75, began working in the dealership in 1946, after serving as a Navy pilot during World War II.

Today, a fourth generation Scarff is in the family business: Way's son, Chase, is a salesperson at the dealership and plans to attend the National Automobile Dealers Association's Academy for future dealers.

JOE CARSON RE-UPS ON OHIO MOTOR VEHICLE DEALERS BOARD

Joe Carson from Joe Carson Honda Harley Davidson in Lancaster, Ohio, was reappointed to the Ohio Motor Vehicle Dealers Board for a two-year term. The board hears disputes related to dealer and salesperson licensing as well as protests under Ohio's Motor Vehicle Dealer Franchise Law. Automobile Dealers Association's Academy for future dealers. [CBT](#)

You buy with our history. Now **connect with consumers** who shop the same way.

With CARFAX Used Car Listings

- Consumers start their search with vehicle history
- They find the cars they like with the history they want
- They arrive on your lot confident and ready to buy



CLOSE FASTER WITH CONFIDENCE.

Call **855.701.7996** or visit
CARFAXforDealers.com for more information.

CARFAX[®]
FOR DEALERS



Why Are You Still Charging DIAGNOSTIC FEES?

Staying Competitive in the Service Drive

BY DAVID LEWIS

With the growing number of secondary repair shops competing for dealership customers these days it is hard to understand why so many service departments are still charging diagnostic fees. Today's informed and Internet savvy customers have learned the art of 'shopping around' and, though they have every right to do so, it makes little sense to equip them with the information that could ultimately cause many of them to go elsewhere. Sometimes all it takes to do that is to charge diagnostic fees.

IF YOU DON'T KNOW THE PROBLEM, WHY QUOTE THE COST?

Here is the problem with this. When people call in looking for estimates on fixing their vehicle it is not uncommon to get a price quote or a response like: "We charge \$99 per hour for a diagnostic". What the person starts doing at that point is adding up how long they think it might take by the amount of the hourly charge. They could then deduce that if the diagnostic took three hours and the repair

ended up being \$700 they would have spent \$1,000 on getting the repair done. Armed with that information they can start shopping around and calling other shops asking how much they would charge for a diagnostic or how much for this or that service. They would almost certainly find someone else who would offer a free diagnostic and/or a lower repair price in the process.

Consider this analogy: If I were to come to your dealership and, for a cost of \$2,000 offer to send you 100 customers who would come to your Service Department with known mechanical failures or repair needs and all you have to do is sell them a repair service, would you give me the \$2,000? I am certain your answer to this would be a definite Yes, as you would welcome all of those opportunities.

So here is the point of my analogy: Don't charge for diagnostics! There are two things you need to bring up that can stop them in their tracks and get them to come in for an appointment:

Customer: How much do you charge to do a brake job on a 2010 Honda Accord?

Service Advisor: What makes you think you need a brake job?

Customer: When I apply my brakes my car pulls to the right and I hear a funny noise.

Service Advisor: That might be as simple as a minor adjustment. Why don't you bring the car in for us to look at? If it is a minor adjustment will fix it and send you on your way. If is something more elaborate we can give you a written estimate and you can take that home and decide if you want to complete the repair.

GET THE CHANCE TO EARN A CUSTOMER

The goal is this: you now have them in your dealership and you now have the opportunity to give a professional service evaluation and gain the chance to earn them as a customer. If you had given this person a price over the phone and they shopped that price, all someone has to do is beat it by a few dollars and you will lose the sale.

This is not rocket science, but so often Service Managers have not trained their people in the right way to deal with the job of appointment setting. Getting customers to come to the Service Department is the first priority and giving price quotes or

“It is a competitive market and if you are not strategizing for ways to get customers into your service lanes, you are probably feeding the shops of those who are.”

doing diagnosis over the phone is certainly hazardous to your profits.

“WHAT MAKES YOU THINK YOU HAVE THAT PROBLEM?”

There is an expert on every corner willing to give someone their opinion on any number of topics including vehicle service and repair. It might be someone from the caller's family or a neighbor down the street. Maybe the guy who doubles as a shade tree mechanic at his workplace or even the conclusions they themselves came to after a night of searching DIY mechanic sites on the Internet. But whatever it is that has made them think they know what the problem is, wouldn't it be better for them to come in and find out for certain? Stop giving prices over the phone and eliminate the diagnostic fee and you will probably make a solid appointment to get them to your Service Department.

“THAT MIGHT BE A MINOR ADJUSTMENT.”

Follow that up with this second statement: “That might be something as simple as a minor adjustment. Why don't you bring the car in us to look at it

and if it is a minor adjustment will fix it and you can be on your way? If it does need a specific work we will give you a written estimate on what needs to be done and you can then decide if you want to move forward with the repair.”

Do that and you have just taken away any motive they might have for shopping around and any solid reason to shop elsewhere since they do not even know for sure what the problem really is.

Too often we make it easy for our competition by giving potential customers price quotes based on uncertain information. Giving a price quote over the phone or charging a diagnostic fee almost guarantees that they will shop around for someone who will give them a price quote or at least a free diagnostic. It is worse than putting the cart before the horse. It is like giving the caller both the cart and the horse and telling them to use it to take their business elsewhere.

Those who think the incredible expansion of secondary repair providers into their territory is just luck might want to think twice about that. Quoting prices or diagnostic fees over the phone is putting out the red carpet for your competitors and saying, “Come and take my customers.”

Offering free diagnostics certainly gives you a chance to compete and, when your Advisors or Service BDC reps know how to answer this kind of customer correctly, you will see more business coming your way. This is especially true if you are the first place the customer called in their search. By not giving prices over the phone and by eliminating a diagnostic fee that cost them money before they even find out how much they are going to spend on the repair, you have taken away the reasons for price shopping.

DON'T TAKE BUSINESS FOR GRANTED

When it comes to the modern service industry, shoppers have more options to choose from than ever before. Franchises are popping up everywhere and more and more are dotting the landscape as repair shops fight for the vehicle maintenance and repair service that is out there to be had. Those dealerships that take it for granted that previous buyers or those who own their brand of vehicles will come to their Service Department are only fooling themselves. It is a competitive market and if you are not strategizing for ways to get customers into your service lanes, you are probably feeding the shops of those who are.

So again let me ask you: “Why are you still charging diagnostic fees?” Maybe you are not doing that and if so I say ‘Bravo! But if you are there is no better time to stop doing it than right now. And do not forget to check your website in case you have any information or menu for services that would give shoppers the idea that you charge for diagnostic fees.

Make a definite effort to train your advisors, BDC reps or other appointment setters to focus on getting their customers in the service lane at your dealership. This is where the business starts and where you have your best opportunity to convert them into a customer who will use your Service Department every time they have repair or maintenance needs for their vehicle. **CBT**



DAVID LEWIS

President of David Lewis & Associates Inc

David Lewis is the President of David Lewis & Associates, Inc. a National Training and Consulting Company that specializes in the Retail Automotive Industry. He is also the author of 5 industry related books, “The Secrets of Inspirational Selling,” “The LEADERSHIP Factor,” “Understanding Your Customer,” “The Common Mistakes Automotive Salespeople Make” and “Winners versus Losers.”





THE SALES TO SERVICE HANDOFF

A Perfect Start to a Happy Customer Relationship

BY RIAN LOCADIA

That new car smell, the new features, showing off to your friends and coworkers. These are all the joys of the new car ownership experience. The average client views the overall car buying experience as exciting. A car is a huge part of anyone's life. However, six months or 6,000 miles later, that warm and fuzzy feeling has gone away. It's now time to bring your new car in for its first service. This does not have to be a daunting task for the client, however. A simple introduction of the client to the service department generated by the sales associate goes a long way to help for seamless future experiences that client has at your dealership.

HAPPY CUSTOMER MEETS SERVICE DEPARTMENT

Unfortunately, before these processes were implemented, I have seen brand new vehicles pull up into the service drive in every different direction. New clients parking in the wrong spots, talking to the wrong people and just look generally confused. This is indeed a result of the client not being properly acclimated with the service drive and process. These puzzled looks on your client's faces and confusion could be easily be avoided by following a few simple steps in both the sales and the service department.

1. After the client completes their paperwork in the finance office, the salesman will walk them over to the service department and perform a general walk around of the service department. This may include introduction to the lounge, refreshment bar and other amenities.

2. Next is the introduction to a service associate. This can be a tricky one. The last thing we want to do is have a client in tandem with their sales associate running from desk to desk looking for an open service advisor. A good way to avoid that situation is for the sales associate to give the service advisor a heads up a couple of hours in advance about the introduction. This may not be 100 percent seamless on every introduction but it will help streamline the introduction process as a whole

3. From this point forward, the service advisor will briefly take over. At this time, they

will introduce themselves and the whole service process in a nutshell. Explain the appointment process and the drop off process. Teach them about the benefits of your service department and the conveniences like complimentary loaner vehicles, car washes, service department amenities etc.

4. At this time, the service advisor can also schedule the client's first appointment with him or her. Some high performance vehicles require a break-in service at less than 2,000 miles giving a perfect opportunity for that pre-appointment. Most vehicles these days have a six month or 6,000 mile interval. If that is the case, they will be pre-appointed six months in advance. Not to mention the fact, when the client returns for their appointment, they will see a familiar face in service. The advisor will then end the presentation, congratulating the client on their vehicle purchase and handing the client back over to the sales associate to finish the new car delivery.

By following this procedure, this will strongly and positively impact not only the future relationship with the client but also the internal relationship between sales and service. As dealership personnel, we know how tense the sales/service department relationship can be. So why not work together as a team, overcome the hurdles and make a happy client in the process. It's a win win situation. **CBT**



RIAN LOCADIA

Service Consultant for Nalley BMW

Rian has been into automobiles and working in the the automotive servicing business since graduating high school in 2004. Starting with Harley-Davidson and he has worked with the most elite brands in the business. Rian currently works as a service consultant for Nalley BMW in Decatur, GA, where he looks forward to exceeding his clients expectations daily.



AUTOMOTIVE NETWORK

The Official News Source of The Retail Automotive Industry



Over 118,000 Subscribed Dealers & Managers

Visit CBTNews.com for the latest news, information, best practices, training tips from the nation's top automotive trainers, in- depth interviews with industry experts and more!

The Biggest names in the Retail Automotive Industry are on CBT Automotive Network

Sign up for your free subscription today at CBTNEWS.com



ON THE SET WITH



Kathi Kruse of Kruse Control Inc.



Peter Martin of Testimonial Builder



Aziz Aztot's of Town Center Nissan



Steve Munyan of Hire the Winners



Tyrell Kennedy of Nalley Infiniti.



Rafael Sanchez of Sons Kia



Diane Uzelac of Uzelac Automotive



Andy Moss of Roadstar



Rob Elder of Elder Automotive Group



Mike Shum of Toyota of Sunnyvale



Percy Sledge of Town Center Nissan



David Kain of Kain Automotive



Steve Hall of NCM Associates



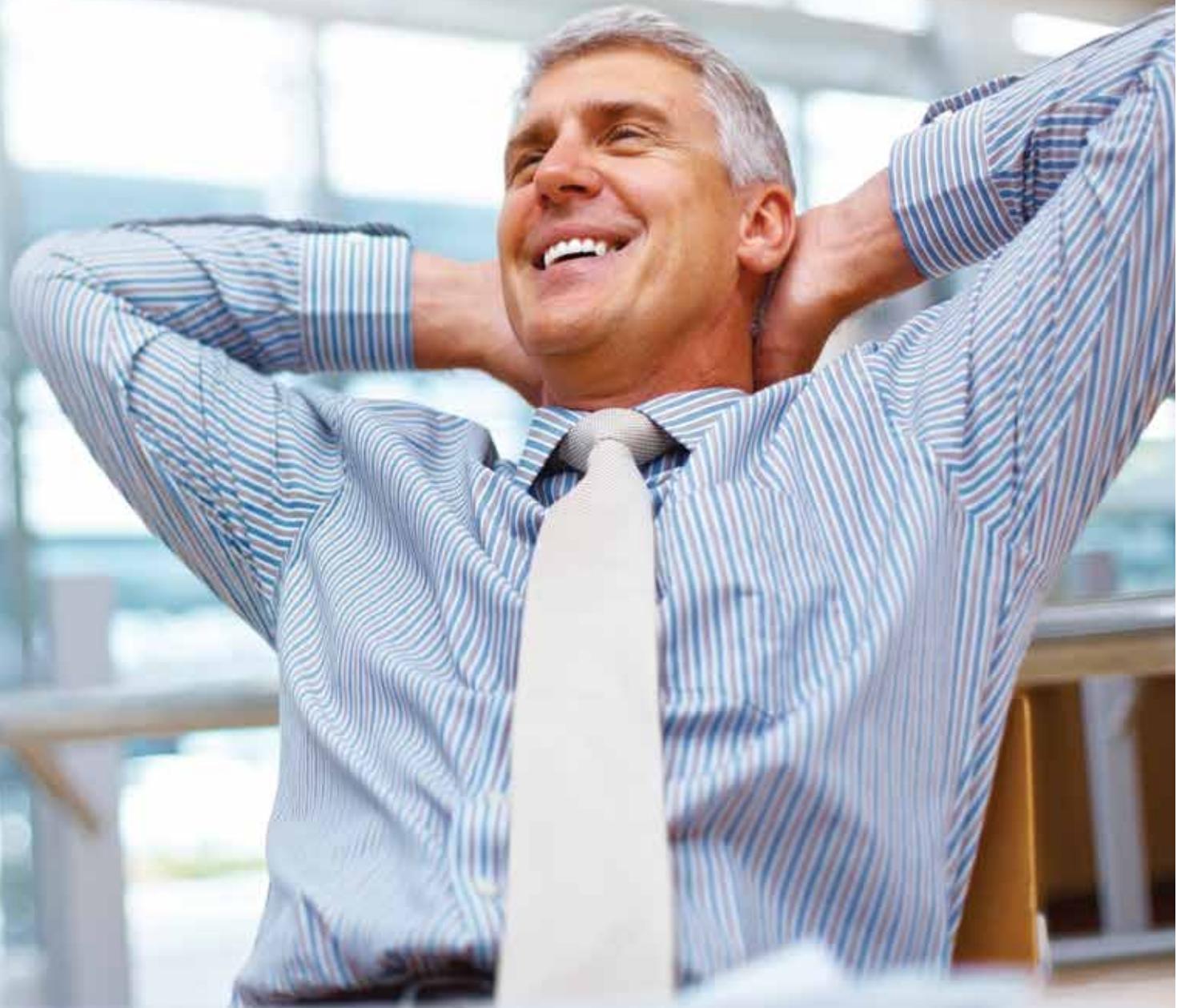
Gary Tucker of DealerRater & **Alex Vetter** Cars.com



April Rain with Digital Rain

He's relaxed.

His F&I business is thriving and his customers are happy.



LET PROTECTIVE ASSET PROTECTION TAKE THE STRESS OUT OF YOUR F&I BUSINESS.

- Serving the automotive industry since 1962
- Full suite of F&I products and solutions
- Unparalleled service and support
- F&I training onsite, online and in the classroom
- Easy-to-use online tools to manage your business and serve your customers



Visit protectiveassetprotection.com



Call **888 326 2545**


Protective[®]
Asset Protection

Protect Tomorrow. Embrace Today.[™]

Vehicle Protection Plans | GAP Coverage | Credit Insurance
Limited Warranty Products | Dealer Participation Programs
F&I Training | Advanced F&I Technology

“Right away, within the first couple of hours of implementing Conversica, the level of lead engagement was like night and day.”

– William Goulette,
Corporate BDC Director, Boch Automotive

**CONVERT
MORE LEADS INTO
SHOWROOM TRAFFIC**
(no humans required)

Conversica is the fastest, easiest way to engage and qualify potential buyers.

con.ai/demo-cbt

 + 1 (888) 778-1004

 info@conversica.com

 **conversica**