



AUTOMOTIVE TRAINING INTERNATIONAL

THE CHALLENGE OF SERVICE MANAGEMENT It's NOT What you think!

By: Tyler Robbins

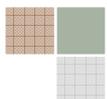
Automotive Retail Service Management is without question one of the toughest positions in the entire industry and most dealers, general managers and service managers don't even know it!

The reality is, most dealers and general managers, more specifically - the individuals responsible for the hiring or promotion of the position have never done it, nor have they spent a whole lot of time, if any, working in the Service Department to know what the role truly entails. Service Managers, who are promoted into the position, typically understand the role based on their experience with the previous manager.

The unfortunate assumption is that the previous one knew what he was doing! Worse yet, when the dealer/GM identifies that the previous Manager was performing poorly, and is hiring for the position, how does the he know what to look for in that new candidate?

The role of the Service Manager is a contradiction in personality types and yet, it is one of those roles that is taken for granted by the industry. In order to truly understand the differences in the position, let's take a quick look at some of the other departmental managers.

Sales Management – Essentially, most sales managers are responsible for marketing/advertising which is a creative type of responsibility and the personality of the Sales Manager is more often than not, outgoing and flamboyant. Additionally they are responsible for talking with customers, training salespeople and for acquiring inventory, be that new or pre-owned. That same outgoing and creative personality trait applies to these responsibilities.





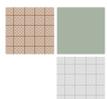
Parts Management – Almost entirely an administrative type of position and subsequently an administrative type of personality that fills it. This role requires a lot of computer time, looking at sales history data, gross profit percentages, stocking levels, etc. At any given moment, he can tell you how many part numbers or days or dollars of obsolescence they have, and the nature of how it came to be. Typically the word creative is never spoken in the same sentence as parts manager. Training of staff is virtually non-existent, most parts managers won't even interview an individual who hasn't already worked in a parts department before, preferably within the same make.

Office Management/Accounting Management – Not a creative or flamboyant individual, this role is entirely statistical and procedurally driven. As any accountant would agree, there is no grey, it is black or white and the personality that excels in this environment, needs to be detail oriented, able to rattle off policy at a moments notice. Like parts managers, office managers aren't known for their interpersonal skills (the lack of "grey") and as such, spend little if any time working on the development of staff, they simply hire experienced analytical types.

General Management – Probably the most poorly descriptive management title in the industry. By definition, General Managers should "generally" manage the entire operation, but unfortunately, due almost entirely to their experience; they specifically manage the Sales Management because they really aren't capable of "generally" managing the other departments. This individual, 999 times of a 1000 was the Sales Manager before becoming the General Manager. His personality is also that of outgoing, creative and flamboyant and more than likely has the ability to look beyond the end of the month which is what made him a great Sales Manager previously, which is the likely reason for his promotion to GM.

Parts Managers and Office Managers are almost entire analytical and so are all of their departmental personnel. Sales and General Managers are creative and outgoing and so are all of their departmental personnel. All of the Managers within the dealership, excluding Service Managers spend their days surrounded by people just like themselves.

So let's look at the Service Manager. This individual has the responsibility of advertising the Service Operation, which, like the Sales Manager requires creativity. He also has the responsibility of analyzing data and trends, which, like the parts and office managers requires that analytical skill. Additionally, he is responsible for training of personnel, but he is not surrounded by people just like himself, as he has technical staff, sales staff and administrative staff all within his realm of responsibility. This position is almost a contradiction in personality types by design.





As we identified with the Sales Manager and General Manager – their creative and outgoing personality type works for everyone within their department. The Service department however, has Technicians, Warranty Clerks and cashiers that need to be that analytical type. The Service Advisors which are the Sales Staff for service need to possess that outgoing creative type of personality to effectively “market” the service department on a daily basis, like the salespersons do in the showroom. Of course, the Service Manager himself needs to be a mix of all of these personality traits and as anyone who has ever held that role can tell you – it’s extremely difficult.

We are all predominantly one personality type. Think I’m wrong? Ask a Sales Manager to analyze his reconditioning expenses RO by RO for the past 12 months and see how long it takes before he finds something else to do – 5 minutes? 20 minutes? I assure you, it won’t be an hour in total!

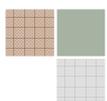
The Service Management position is essentially 3 personality-conflicting roles – Technical, Administrative and Marketing/Sales.

Many, maybe even most Service Managers are former Technicians so the technical responsibilities come rather naturally. They are genuinely interested in Technical Service Bulletins and “fixing it” and get involved in ‘problem vehicles’ more so than with the customers.

The administrative responsibilities like reviewing warranty repair orders, hours and productivity, as well as ensuring proper technician write ups, time punches, etc. occupy the Managers time when he’s not roaming through the shop. Although, the analytical personality of a technician lends itself well to these administrative tasks, the fact that these tasks are the same day in and day out, requires a significantly different personality than that of a technician.

The marketing and sales responsibility, without question, the most difficult responsibility for Service Managers is inherently not the personality type of a former technician and as such, the creativity required for marketing and sales becomes, in this environment, anything but creative! It is very dry, these managers rely heavily on ‘spiffs’, incentives and convoluted pay plans to accomplish their sales and marketing objectives. This is moreso because they simply lack the creativity or ability to motivate any other way!

The challenge with this role, and subsequently why it is the toughest role in the industry, is not so much the identification of what the service manager is responsible for, but moreso for the Dealer/GM to understand that finding all of these traits in one individual is like finding a needle in a haystack. Sure, once in a while, you’ll find one, but the assumption that another Service Manager already has these skills or a ‘good store’s’ Manager has that marketing talent you need or that this guy’s warranty receivable is beloved by the manufacturer does not necessarily mean you’ve “found” your Manager.





Consider what you expect the other departmental managers to do:

- ✓ Does the Sales Manager actually calculate all of the salespersons commissions? NO? How come?
- ✓ You expect your Service Manager to calculate the Advisors' commissions!
- ✓ Does the Sales Manager make calls to the financial institutions to collect outstanding money? No? How come?

You expect your Service Manager to call Fleet accounts with outstanding balances!

- ✓ If you were painting your showroom walls, you don't expect the Sales Manager to do it, you don't even expect him to stay and supervise!

You do expect your Service Manager to paint the service walls, at the very least, he has to stay and supervise!

Why is the Service Manager responsible for ANYTHING that breaks in the entire dealership? If the Office Managers door lock needs to be replaced, why don't you call the Sales Manager for a phone number? You phone the Service Manager don't you, and furthermore, you don't just want him to fetch a phone number, you expect him to orchestrate the entire transaction.

The Sales Manager is responsible for a group of salespeople. If you have more than 5 salespeople, you probably have more than one Sales Manager.

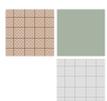
The AVERAGE Service Manager is responsible for 2-3 Service Advisors, 8-9 Technicians and at least 2-3 other administrative personnel such as warranty clerk, cashier or porters. Many Service Managers are also responsible for the detail department as well and as such have another 3-4 personnel that they are responsible for. That's a total of 15-19 people vs. the 5-6 the Sales Manager is responsible for!

Which Manager typically makes more money? Who's got the demo? What would you say if your Service Manager asked for an administrative assistant? You tell him NO!

Take it a step further, how can a Dealer/GM effectively manager this person?

And for all of those Service Managers reading this and thinking, right on Tyler, you go man! Consider this – I know as well, if not better than you do, that you aren't possibly proficient in all of those areas.

The first thing you need to do is admit you need help, recognize which "type" of Service Manager you are – Technical, Administrative or Marketing/Sales and then go to your Dealer/GM and explain the conflict and your areas of weakness to him. Chances are you can gain some of the necessary skills from him!





If he can't provide those skills, he can provide you with the necessary budget to acquire those skills.

Do you want to be the BEST? Do you want to be better?

You just need to admit what you don't know and to seek out that someone who does and can teach it to you! Automotive Training International is that SOMEONE!

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