



Mindset Matters Most

Dealerships are more successful when the operating mindset comes from choice rather than chance.

n my last column, I observed that many dealerships are populated by employees who are beaten-down and operating in survival mode. One of the significant reasons for such an outlook is the adoption of a corporate mindset that allows, if not encourages, destructive company-wide attitudes. Too often, the determination of dealership mindset happens by default and not by decision.

Mindset - By Design or Default?

The mindset of a dealership, or for any business for that matter, is a matter of choices being made. Those choices can be made intentionally or made on the whim of an employee, a manager, a department, or any combination of those in your dealership with influence over what others think. Much knowledge has been developed

about how cultures grow in businesses and other organizations. From my personal experience in the dealership, it's usually a handful of people who "set the tone." It should be set by the owner or general manager. Too often, others jump in where top management isn't strong enough on leadership.

I've personally seen a couple techs drive the attitude of a dealership from their service bays. The dealer and general manager thought the two techs were irreplaceable. The techs, with their perceived influence, made a game of it. One of them would fire the other up over some presumed issue and immediately the entire store was in turmoil.

In another situation, two siblings shared 50/50 ownership of the store. They were in perpetual conflict over the slightest perceived



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In aerial combat, pilots can be at a serious disadvantage if they lack a perfectly executed tactical plan. In the same way, RV dealerships can be at a disadvantage if they don't have a well-executed business plan.

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inequity between them. The two of them focused so much on keeping it "even" between themselves that they lost sight of running the business. The employees paid the price for the struggle between the owners.

Lessons from a Secret Military Operation

Sometimes the approach to a problem is a matter of life and death. A military operation that has been recently declassified may help to illustrate the importance of mindset. This operation involved espionage and hidden airbases in the area north of Las Vegas. The operation is detailed in a book "Red Eagles" by Steve Davies.

During the Vietnam War, American pilots were experiencing an air combat loss ratio of 5:1. This was particularly true of Air Force pilots. The U.S. flew F4s and 105s. The opposing force flew MIG17s and MIG21s. Losses were especially high during a U.S. pilot's first 10 encounters with a MIG.

One suggested reason for the outcome was "buck fever" on the part of our pilots. The MIG quickly gained the upper hand in combat reputation. When our pilots encountered them in combat for the first few times – I can't say it any other way – our pilots panicked.

Our pilots were well-skilled and were flying terrific equipment. Two things were against them. First and most important was the incorrect impression of the opposing force's strengths. Second was the lack of a well-trained and perfectly executed tactical plan.

You see, the battle is fought in your mind before actual combat. It's also true in your dealership!

Because of MIG pilot defections, our military came into the possession of the enemy's aircraft. The first was in August 1966, when an Iraqi Air Force captain flew his MIG21 to Israel to defect. Separately, two Syrian pilots literally got lost and landed at a base in Israel not long after. Along with other defections, enemy aircraft were accumulated for test and evaluation purposes. Those enemy planes ended up in the U.S. at a secret base.

Forward-thinking military minds thought to bring those aircraft into a program to fly as aggressors against our pilots in what was to become TOPGUN. For the first iteration, it was a very, very top-secret operation in the desert of Nevada. The operation provided detailed technical information on strengths and weak points of the MIGs.

Dedicated and diligent study of the opposing airframes yielded big results. Our forces gained a full understanding of MIG aircraft flight profiles and capabilities. MIG17s were particularly good at close combat on "guns" with tight turns. When our untested pilots first encountered a MIG, it would turn away and the instinct of





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our pilots was to follow. However, it took our pilots into a spiral in which they were not suited to fight and unlikely to prevail.

Having the Right Mindset is Key

A study of strengths and weaknesses between friendly and aggressor combatants in the skies over our country offered up tactics that played our strengths against MIG weakness. The F4 was unchallenged in acceleration. Pilots receiving this highly secret and specialized training learned to accelerate away from the encounter and pitch back into the fray in a slashing motion that changed the outcome in our favor.

Pilots were brought to the secret base from squadrons all over to fly against the MIG aggressor squadron. The result was letting them see the MIG was not invincible. Those who flew against the MIG aggressor aircraft got past the fears of the first encounter to a point of tactical confidence. They had a chance to hone their skills while safe at home and before it was a matter of life and death.

Lessons to Be Learned

A great story, right? But what can be learned?

First lesson: "The problem is not the problem." The problem is our *attitude* about the problem. Our pilots were tactically unprepared. The opinion our pilots had of the opposition prevented them from responding from a planned or tactical approach.

Second lesson: A critical and exhaustive study of the strengths and weaknesses of all the combatants showed us a solution. In this case, it was the F4s and 105s against MIG17s and MIG21s. With a clear-eyed understanding, intelligence and flight leaders were able to think through the challenge and build a well-planned winning attack plan.

Third lesson: Taking the issue back to our home territory in safety and comfort gave those involved the space to resolve the problem systematically and effectively. The pilots were trained and learned the skills to gain tactical advantage. The value of training and building a confident mindset cannot be overstated. Again – the problem isn't the problem. The problem is our attitude about (or how the approach is made to) the problem.

Here's something to drive the point home: A study in cognitive psychology used mice to test responses to adverse stimuli. The experiment first blinked a light bulb. After the light blinked, an electrical shock was sent to the mice. Understandably, they responded by recoiling. The recoil response continued when the light blinked – even when no shock was present. Now, here's the kicker: Researchers observed those mice continued to recoil when the light was blinked for the next two generations even though those subject mice had *never* been exposed to electric shock.

Doesn't it make you think?

You may not begin to understand how deeply or thoroughly an idea imbeds itself throughout your business. What culture "shocks" have been passed from one generation of manager to the next?

True in Our Business, Too

There are a handful of sayings I've attributed to Duane Spader with the Spader Group over the years. I've never heard Duane actually say some of these things, but I've heard him quoted often enough in 20 Group meetings to have come to believe these are his actual statements. One of those is: "Profit margin lives between the sales manager's ears."

I've taken Duane's aphorism to mean it is clearly the mindset of the sales manager that determines the amount of gross held in any given deal. How a manager coaches a salesperson through the deal sets the bar. If the sales manager is confident in getting more gross, the salesperson will naturally be confident presenting the terms to the prospect.

Let's have a quick word about coaching. Coaching is mostly about arresting each thought and holding it captive. (I personally love that phrase. If you don't know the source you might Google it.) Coaches test and adjust mindsets. The pilots were coached in their thinking on how to

approach the enemy. Sales managers coach salespeople. I see loads of parallels.

The Truth You Accept Drives All Understanding

What everyone accepts as true shapes everything else. My friend Dakota Hadley says it this way: "You only see what you know."

If you are familiar with a particular specie of tree, it will leap from the land-scape as you drive down the interstate. If you are a Winnebago dealer, you see every Winnebago you pass. A lot of us miss the point of understanding the resulting impact. Most of us fail to see what we hold true shapes our lives in so many ways that are never considered.

I'm not encouraging you to think of this as an exercise in mission and vision or to launch into some "mantra-heavy" communication initiative. This is more basic than even mission and vision. It's about how dealerships work on principle at even the most basic levels. Everyone always acts in accordance with what they hold as true. Making certain our truth concept is actual truth and not just an opinion is vital.

Consider Kim Jong-un, the leader of North Korea. I wonder if some of his bravado on the international stage comes from being fed misinformation by generals who are in fear of death if they tell him of some weakness. Could it be he actually thinks he could prevail in strategic warfare?

So, for good or bad, all dealerships and the employees have a shared mindset. Is it accurate? Have you thought about what you think about? Does your dealership's mindset come from your manager's and leader's decision and direction? Are you listening to blame and excuses? Or do your generals only tell you what they think you want to hear?

Stop. Consider the whole picture. Think tactically how you can play your strengths to the weaknesses of your competition. Get into the mindset of your service writer or finance manager, who may have "buck fever" when faced with specific challenges.

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