



## HELPING SHOPS FIX THEIR

# “labour leak”

Jobbers need to ensure shops aren't giving work away for free.

A shop's inability to do more, and charge more, for labour is putting a dent not only in their own bottom line, but the jobber's as well. And it's imperative for jobbers to make sure shops are putting more effort in charging for time spent diagnosing vehicles, says automotive industry coach Kelly Bennett.

Selling more labour to customers means

the shop can sell them more parts, which boosts sales for jobbers, says Bennett.

Way back when, he used to tell shops that their time should be evenly split between parts and labour: a dollar for one meant a dollar for another. Nowadays, labour work has increased and is an important component for shops, thanks to diagnosis work. Bennett figures the ratio

now sits at \$1.35 in labour for every dollar of parts sold.

But that doesn't mean all shops are doing so. In fact, some are actually making more money from parts than labour, and that in turn is hurting jobbers. These shops “are really screwing up,” Bennett says. “Not only are they ordering fewer parts, they're selling less labour.”

In an eight-hour day, Bennett asks, how much labour is a shop actually billing for? He uses the example of Canadian Tire, and how that firm doesn't even look at a car until the customer's information is in its computer system. The typical shop, though, will take 10 minutes here or 20 minutes there to diagnose a problem with a customer's vehicle in the parking lot – inspiring the term “parking-lot opinion” – and will never bill for that time. That is what Bennett calls a “labour leak.”

“So even though shops supposedly are doing more diagnosis and fewer parts, they're still seeing more money from parts than labour, and they're still giving way a ton of labour,” he says.

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- KELLY BENNETT, AUTOMOTIVE INDUSTRY COACH

A shop that is better at selling labour is of more value to the jobber. But that doesn't mean the jobber can sit back and wait for the shop to figure things out, Bennett says.

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And with the need for repair on the decline, says Dave Rathwell, Benson Auto Parts' business development manager for the Ottawa Valley group, shops need to boost their profits. Doing more labour work through diagnostics is the ideal way – not giving away that work for free. “Some of these guys are hooking up their scanners and not even charging,” he says. That free work hurts everyone, he adds.

Much of the issue is that the general public isn't educated in paying for diagnostics, Rathwell says. So shops don't charge, or charge very little, for that work. If the customer understands that a scan tool costs thousands of dollars, the shop can do more diagnostic work and, in the end, do more service and order more parts from their jobber. “It's a tool, like a wrench or anything else,” he adds.

If a jobber can show a shop how much free work is being given away – money not being made – that could change their thinking, Rathwell says. But it could take some effort. “Just keep going over it with them week after week when you make your regular visits.”

It starts with a simple conversation, and taking an interest in the shop's business, to build loyalty, says Kevin King, a U.S.-based sales rep for Gem-Car, a repair shop management software company. He worked for years in the jobber market, from driving delivery trucks to managing stores.

“As a jobber, don't just go in there

and talk about the price of oil filters,” he advises. “You need to help shops make money with what they do in labour sales. And once you help them, they'll be loyal to you.”

If you can boost their bottom line, that means more to them than the cost of a part. “It's not about the cost of the product for the shop. They don't care,” King adds, because the shop can go somewhere else to pay less. “For me, it's not about the price; it's about the relationship. It's about shops being profitable.”

Helping shops become more profitable is something jobbers can do to add more value to the shop-jobber experience. “On the jobber side, I think we've missed the boat on this,” King says. “We've spent too much time with training on the technical

## Mahle TechPro review

Today's vehicles capture and store tons of data, so having access to a fast, reliable scan tool is vital for accurate diagnostics. Simply pulling fault codes is not good enough; technicians need to be able to have two-way communication with a car. That means pulling data out of the car for evaluation, and telling the car what you want it to do. The more information you can get from the car, the more likely you will have a successful diagnosis the first time.

The Mahle TechPro tested came with a 10-inch tablet, an Acer Aspire Switch 10E at the time of testing. The scan tool's software comes preloaded and ready to go. You also get a vehicle communication interface (or VCI), a holster for the VCI, USB cable, and a docking station.

The scan tool's VCI and software can also be used with the technician's current Windows-based desktop, laptop, or tablet. The TechPro's ergonomically engineered VCI has a bright LED light for high visibility and confirmation that the VCI is connected and communicating. Other useful functions include always-on data recording, cylinder balance tests, compression testing, and misfire graphing. The scan tool's key feature is the ability to decode a VIN in one second with one click.

The TechPro has a number of helpful features: the tool's quick boot-up time, the ability to gain a wireless connection to the vehicle via a Bluetooth adapter, the tool's graphing features, and the frequency with which updates are available that allow access to additional vehicle diagnostic capabilities.

This tool is very easy to set up, easy to use, and updates are available whenever Mahle releases new information. All you have to do is access the Internet and it will automatically download the info.

The TechPro tested was packed complete with a quick-start guide, the necessary cables, storage pouch, and the VCI.

The quick start guide directs users on how to both launch and register the tool, as well as navigate to various features.

The scan tool was tested for general scan diagnostics, oxygen sensor graphing, and bi-directional controls of various modules on the following vehicles: 2016 Chevrolet Cruze, 2011 Jeep Patriot, 2010 Hyundai Santa Fe, and 2007 Pontiac Torrent.

