

## **Understanding the Symptoms of Understaffing - When Cutbacks Put Customer Service Out On a Limb by Mark Beaton**

The first thing they did was cut expenses; and, the biggest expense was personnel. “We need to cut the fat from our workforce!” became the cry. Then they carved into the muscle when the economy continued to go south and now the bone is being chipped away at. Super-lean dealerships may be too weak to compete as the economy gains strength. But, how will these harried dealerships know when it’s safe to hire again?

Here are some examples of over-lean life at a new car dealership:

- The Dealer or General Manager is scrubbing toilets, washing floors and taking out the trash
- Department managers are the sales staff i.e. New Car, Used Car, Service and Parts
- Overtime by everyone is the norm, week after week
- Opportunities are there but sales are not growing
- Customers are bailing due to lack of personal service

The alarm bells of understaffing are starting to sound across dealer America. One of the first indicators arrived last fall when the snowbirds of the north began their annual pilgrimage to the southern states. Many of those dealerships found themselves lacking proper coverage especially in service and parts because they’ve cut so deep into staff.

Fear still deters many dealer principals and upper management who bear the scars from the economic slowdown in the car business in the past 10 years. Yet, strong indicators in the areas of service and parts should signal the dealer that he/she needs to beef up to take advantage of the opportunities:

- The U.S. light vehicle market could be 11.5 million units in 2010 predicts R. L. Polk & Co. in its most recent sales forecast
- In the past two years, there was a net loss of almost 1,900 new vehicle dealerships; 881 in 2008 and 1,605 in 2009 (add back 600 for GM in 2010)
- There is almost 280 million cars and light trucks with an average age of 8 years on the road today
- There were 690,114 cars and light trucks sold in the CFC Program
- According to CNW Marketing Research and Manheim Consulting, used vehicle sales could reach 40 million in 2010, up from 37 million in 2009
- Many customers are choosing certified used vehicles versus new as this market continues to grow

The number one symptom of understaffing is trouble in customer service, specifically the inability to provide customers with the level of service that makes them loyal to the dealership and the brand. When your level of service starts to deteriorate, you begin losing customers which further adds to the fears many dealers have regarding staff levels.

When your customers call the dealership, are they able to speak to the right person? Or do they have to leave a message and wait to receive a return call? This opens the opportunity for your customers to start thinking about whether or not to call your competition.

When your customers arrive at the service department or the parts department, are they waited on promptly? Or do they have to wait in line?

Do your service and parts advisors have the time to spend with each customer to discuss their needs and build a rapport? Or are they always in a hurry to get on to the next task and the next and the next?

Are your service advisors informing and updating their customers on their vehicle status? Are your parts advisors informing and updating their customers on their parts order status? Or are your customer required to make contact with you?

Are you quality inspecting every service vehicle for things like grease marks, oil change sticker replacement or mileage counter resets, or even the condition of the car wash? Or do you wait for the customer to tell you everything is okay or not?

Moreover, for vehicle repairs, are you roadtesting every vehicle, every time? Or do you wait for the customer to tell you the vehicle's not repaired correctly?

Are you following up with all of your customers? Or do you wait for them to contact you with a problem?

Your answers should be "yes" to the first question in each paragraph.

Why have we stopped doing these things?

Many dealership employees have taken on other's work responsibilities to the point where the employee simply cannot perform all of the tasks completely without getting behind. Service and Parts Department processes are being short changed. This means your customers may be short changed, as well.

It's time to reevaluate your staffing levels with regard to level of customer service. Customers are demanding more attention. You need to exceed your customer's expectations to keep them loyal. If you can't or don't, your competition will.

The automobile dealership industry has been lean a long time, but you have to maintain quality. Remember what's at stake here...your business.