Automotive Tribe of Mentors

Questions

1. **Are we at a crossroads in the automotive industry?**

Our business has been saying this since the advent of the internet. I was on a steering committee for Toyota in 1997; this phrase was the theme. Must we change or die? If that is a true statement, why do the old tactics still work? Low ball advertising, cookie jar closes, training salespeople to answer the phone the same way we did in 1988. We talk transparency, claim the same and then put offers on our website that no one qualifies for or are misleading.

I do believe the crossroads are coming. I also think until the deceptive practices do not work, dealers will continue to use them for their benefit.

1. **Is it essential to have an “enforcer” for the processes we put in place?**

People perform better when they are being watched. It is a fact. The problem most have with this, they have an enforcer who treats their staff the way they were treated. The enforcer is someone who has never been a frontline employee, so they treat salespeople like fools if they do not do it. We use negative reinforcement to get the stats we want. Salespeople are smart enough to give you what you want to hear yet still do it their way. If our processes are best practice and work, shame on us if we have to use negative spiffs to get compliance. Teach your staff why. Help them understand the benefits. Let them know how valuable they are. If they have bought into your process, you will not need negative spiffs.

1. **Processes or People? Are Sales People plug and play now?**

Statistically, you can replace a used car manager with a student who understands the system you use. Can you plug and play if you have the right processes? I am still trying to find the 20 car a month sales person who follows all our processes. We force them on sales staff, and they underperform, we wonder why. People are more critical than processes; processes keep us from falling into chaos.

1. **If your processes are legal and bring record sales numbers but are ethically questionable, is it okay and do you overlook that? Do tricks and gimmicks still work on customers?** If they did not work, we would not use them. Until the gimmicks do not work, dealers will keep trying. Slasher sales, Tent Sales, test drives at the auto show, what is the next big deal. Infomercials, we finance everyone. Low ball pricing does not include transportation. Loan processing fees. It is all about the money for many.

Business and personal life are separate; it is ok in business. Unfortunately, this is the view of a majority.

1. **We all believe in training our people. Why do we continue to train in ways that customers say they hate?**

We must train. We believe it. The issue is we do not know how to do it or what works. Our training consists of what we learned. We bring in an outside company to train on phones, steps to the sale, internet leads. We go to seminars. A week later we are doing the same stuff over again; if you think your staff is not, you have on rose-colored glasses.

We have been told for years; you must train on this, this and this. We train to train, mostly so we say we have done it.

Find out what works at your store, train on that. Watch your top people, train on that. Sound good training does not work. Again, we train to say we train.

1. **What is a must do recommendation you get from experts that is terrible advice?** This could be more than one. Statistics and scripts are the law. Most great sales people are not motivated by quoting statistics and forcing them to use scripts. Scripts take away the ability to improvise, stats mean nothing unless they are number one. I do not know of any great sales person who stresses that they need to talk to three people per day to hit their goal. All of them think the next one is the one. All of them.
2. **What aspect of our business frustrates you the most?**

As an industry we train the same way today that we did 20 years ago. The majority speak up against the injustices of the automotive industry. If it happens with out recourse at their dealership, they look the other way.

1. **How important is a team in the day to day operation of a dealership?**

Branding your sales force is imperative. Everyone wants to be part of something great. Peer acceptance motivates almost all. Team concepts only work when you are headed for a common goal. Most of our bonuses do not promote this. We must also have superstars who want to be number one on the number one team. All must care about the success and failure of all.

1. **Do you find yourself looking for the next best practice and do they work?**

If this were not the case, driving sales summit would not have 40+ classes to take, NADA would not have the same. Some do, we are not very consistent on what we do. The flavor of the month is prevalent. I know many who dread their owner coming back from 20 group, big changes coming. We think if it sounds like it should work, it should. We also have been preprogrammed to make our processes sound much better than they are.

1. **What is your definition of a successful dealership?**

Profitable, growing, ethical, manufactures happy. Employees are making a great living and turn over is at 50% national average.

1. **If you could pick only one, what attribute would be most important in your managers?**

Coach

1. **What is the essential tool in the dealership?**

The right Management Staff. Motivate, train, coach, mentor, communicate, trust.

1. **When you feel overwhelmed or unfocused in the day, what do you do?**

Make a list

1. **Short advice to Sales People.**

People buy from people they like, trust and believe

1. **How does the smaller dealership overcome the dishonest and “gray” aspects of the bigger dealers?**

If you really believe in ethics with the consumer, not just situational, take a long-term view of every customer. This can be extremely difficult when you make a deal with someone, and you are making no money.

Otherwise you make the choice to play the same game and hope the numbers work for you.

1. **Who is your competition?**

Like dealers within 75 miles, although, it can stretch as far as surrounding states.