



DEALERSHIP

WEEKLY INFORMATION NETWORK

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Thomas Restino on Fixed Ops – What’s worked? What hasn’t?

- On the service lane, we had items that were working for us to begin with, but we wanted to make sure that our employees were safe. We put a tornado gun at both the Ford and the Chevrolet store and that was the biggest advertisement. We were flagging and tagging the cars right in front of the guest.
- We saw a 36% decrease in repair and an 8% increase in customer pay. What did that teach us? I can do more with less. I lessened quite a few people. We closed our reconditioning center down, we moved everybody into one building. Changed our advertisement. I want everything digital.
- We have a digital piece that we use which is called iService. We’re sending the customer something that is so much better than paper – what’s really going on with their car. It can’t lie and it gives total transparency. It’s nice to say we’re going to send you a video, but how many people are actually watching videos we send to them? You want it to be well above 80%.
- If we’re still using paper in our service lane and not using a video and showing transparency, then were doing something wrong. With the use of video, anybody can sell the work, it’s all transparent. It’s a no brainer - especially in today’s current state with no contact.
- It’s a learning experience. What we’re doing today is going to be different tomorrow.

Additional comments on service

- It is important to bring up past recommended services. In this current state, we are blessed that we’ve been able to spend more time with present customers and slow the transaction down.

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- The service department is all about building trust. It all comes from culture. Culture drives trust.
- Audit the time that your service provider is spending with each customer.
- Take five random cars that are ready for customer pick up and bring them back inside, put them up on the lift and inspect them from top to bottom. Is the car ready to be delivered back to a customer in the manner that you want to do it?
 - o You're going to see the technicians that are not willing to present it to a service provider AND you're going to ensure that the service provider is presenting it to the customer.
 - o You're also going to be checking for the CSI, was the complaint fixed?
 - o That's 30 minutes a day for 5 cars but it'll be the biggest investment in terms of ROI, and you'll give the "atta boys" to the people who have done it really well, including the cleaning staff.
 - o It costs you nothing, it'll make you thousands.

How to protect employees

- If you're able to protect employees and keep anyone within the dealership safe, customers will also be protected.
- Our messaging has changed, we're focusing on the efficiency of the service visit, the sanitization of our facility and the overall ease for the customer. This new message is critical.
- If you're offering a service that no one else is going to offer, you're able to bring labor rates up.

Adam Arens on Appointment model for Dealerships

- We're demanding that people make an appointment for sales and service.
- We're discounting everything in the afternoon appointments.
- If you've done work with us, we should keep it all on file and the customer should never have to start at the beginning. Service departments should be able to accomplish this. I've never had a cashier in a dealership – one person can handle everything. If you'll make an appointment, I'll make sure you have the same service provider every time and you won't have to start from the beginning.
- The appointment model works for car dealerships just like hairdressers or physicians - brings higher quality customers.
- Once things "go back to normal" how do we keep this appointment plan around? Use the word "VIP appointment," you have to have the balls to tell people "no" without appointments. You're marketing that experience before they even get there.

How Dealers Have Been Successful

- Most successful thing we did so far is plan. The second most is not panic.
- When we had furloughed associates, we communicated with them weekly. We're laying out what the expectations are and telling them what has changed.
- I think we could've been even clearer on our communications. We could've been ready for our advertising switch a little bit quicker. We could've understood the fears a little better.
- We only have the all-star team working in most of our departments. Do you need 20 salespeople? Or are you better off with less people, working really well and making more money? We're seeing rises in production in every single place.
- The average sales call lasts 20 minutes – nothing to do with cars, more to do with relationships.
- We went back to people doing what they're supposed to do - taking walks around the lot to see what cars we have. We also started doing recruiting in February. Not because we had openings but because we wanted to see what the job pool looked like.
- We decided that we wanted to recruit people from the restaurant business and hotel business, and it is truly resonating.
- We've sold 54% of our purchases without test drives. We've told people if they don't like the car after they drive, they can bring it back.
- Great salespeople are not robots, they listen and adapt. There's no "one way" to sell.
- The team should be more important than any individual.