



DEALERSHIP

WEEKLY INFORMATION NETWORK

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Eric Ruby and Sandy Cerami – The Impact of Leadership and Culture on Employee and Customer Retention

- In terms of retaining employees, trust is the most important thing. It's the basis of the relationship and the foundation of somebody who is going to be with you. It's hard to gain but easy to lose.
- You need the right people to build a culture with a winning mentality. After years and years, I've come to the realization that you can't motivate people, you just have to find the motivated people. Then put them in the positive/winning environment. Weed out the negative attitudes – it's cancerous.
- It's more about encouragement than anything else. It's a confidence thing. If they know that you sincerely care, you can give them good honest, constructive feedback.
- If everybody's goal is to get better and we share that, the rest is natural. It's really not that complicated. If you can make them money and help them make money, then the rest is just being honest and having the relationship and the rapport.
- The philosophy of the organization needs to be shared. The people that don't get it or aren't getting on board, they find their own way out of the organization without us even asking them to leave.
- They don't care what you know, they want to know you care.
- Our industry is a very close-knit industry – word travels fast. If you do the right thing, you won't have to worry about hiring people, they'll come to you.
- Trust is an equal partnership with each individual employee. It's an honest conversation. If they trust me, they know my intentions are just to get them better.
- If you turn a blind eye to bad behavior, that is the beginning of what is going to ultimately be your downfall.

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- Communication is critical and also the understanding of the core values of your company. Make sure that you're recruiting and hiring the right people – that fit into those core values.
- You have to be able to trust your people. Allow them to make mistakes and learn from them but not repeat them. The only way you get experience is making mistakes and learning from them.
- If you show trust to someone, it makes them want to not disappoint you or let you down. A big culture killer is micromanaging – it says, “I don't trust you to do the job.”
- Always higher people that have higher expectations of themselves than anybody else has of them.
- You have to show people the future. This is not a job; this is a career.
- If you focus on the people, the success is going to come. The greatest equity is our people.
- You seldom remember the score on the scoreboard, but you'll always remember the experiences. It's not just a matter of how many cars we sold or how much money we made. When you make people feel appreciated, they will do more every single time.
- You have to have fun. You have to celebrate victories. I always tell them - I just want us to be better than last year. Just continue to get better – focusing on continuous improvement. You need effort and results. You can reward noble failure because it's an opportunity to grow.
- We have monthly manager meetings with all of the managers, and I make it their meeting. Give me a five-minute update on what's going on – the communication brings everybody together.
- If you are at the top of the hierarchy, you set the tone in terms of collaboration. I will always ask department heads to provide a solution for other department heads. Every department needs love and support and needs to know the importance of what they do. The connection between the whole group is critically important.
- Leadership, accountability, recognition are the top three characteristics of killer culture.
- The person who is running the store is the personality of the store. There's a texture to a culture – good or bad and you can feel it.
- Encouraging personal and professional growth with your employees is an investment in your future, not just their future. Grow your people and you'll grow your profits.
- You can't walk around like you know everything. Some of my best ideas were not my ideas.
- The most valuable time that you can invest in your organization is in the people that you lead. Never underestimate the impact a 3-5 minute conversation can have on someone who needs it.

Questions

- How do you coach leaders into having those tough conversations? How do you help them get better at that?

- Management is getting things done through others. So, your job is to accomplish our goals through the people you have, not to get new people. You have to coach the coaches.
- As leaders, you're accountable to hold people accountable. If you're not going to hold yourself to the standard of keeping people honest and to the standard of the organizational objectives, then you have to look in the mirror and say I have to do a better job of communicating tough information to my team.
- Does every employee know your sales objectives for the month and year in all departments? A game without a scoreboard is pointless.
 - Not only do we set the objectives all the way through to each department, but I send out updates with the objectives and where we are and where they are individually. Probably two or three times a week. So we're monitoring that performance all the way through. That motivates employees just by looking at it. That tells you a lot without having to say anything.