

## Boosting Productivity

# Communication Is the Key to a Productive Shop

Developing better communication skills – which include listening as well as talking – is an important part of making a shop more productive. Asking questions, hearing what the customer is saying, and good internal communications make operations smoother, and therefore more productive.

BY KRYSZYNA LAGOWSKI

**O**wning and managing a repair shop is a challenging business that is constantly in a state of flux – especially from a technological point of view. However, there are simple tenets of smart business management that can be applied in a number of ways to keep shop operations at healthy levels.

### Keep records organized

Dave Redinger has been a licensed technician since 1966 and in business since 1972. As owner of his own shop, Dr. H. Honda Specialists/NAPA Auto Pro, he's seen it all. And he's only too happy to share his expertise to benefit others.

"Your whole business is your records," Redinger asserts. "You've got to keep good records of all the services you've done for your clients, and you've got to keep them organized. You need to be able to access those records easily."

He explains that the records have all the information about who the customers are as well as their repairs over the years. "It's not hard to sell your existing customers – they've got experience with you, they trust you – that's why they're your clients," Redinger notes. "Seventy-five percent of

your business comes from your existing clients, so take care of them."

Conversely, only 30 percent of business comes from new clients. Redinger estimates each new client costs him \$20 to \$25. "That's the cost of advertising, giveaways, discounts, freebie repairs, just to get them in the door," he says. "I have an advertising budget for the year because all those things add up."

### Inspecting the customer

This is where communications comes into play. Once the customer is in the shop, it's crucial to talk to them, and hear what they've got to say. Mac McGovern, director of marketing and training, KYB Americas Corporation, refers to the process as "inspecting the customer."

Speaking at the Automotive Industries Association of Canada's (AIA) Ontario Auto Service Providers' Forum on March 7, 2012, McGovern suggested doing three inspections:

- + Visual inspection of the vehicle
- + Inspecting the performance of the vehicle
- + Inspecting the customer



Dave Redinger, owner, Dr. H. Honda Specialists/NAPA Auto Pro

It's part of what McGovern describes as a shift from a repair culture to a maintenance-centric culture, where customers can be engaged in a dialogue that emphasizes the value proposition – or benefit - of keeping their vehicle in its designed performance condition.

### Creating a value proposition

The days are gone when a technician could be keeping busy by doing repetitive tasks. "Due to the proliferation of different vehicle technologies, the odds of today's vehicle technician getting very good at competitive services are very low," asserts McGovern.

And that's what has driven productivity rates down. "In the 1980s, a shop's productivity rate might have been higher

## “Make the technician part of the sales team.”

— Mac McGovern, director of marketing and training, KYB Americas Corporation



than 100 percent, so a technician could work 40 hours but bill out maybe 50 hours, because they're so proficient," he says. "Today, the typical shop is maybe 60 percent productive because there simply aren't as many repetitive processes. "

That's also why it's important to involve the technician from a sales team standpoint. "When the technician becomes responsible for creating a value proposition, they can bring evidence of a need to the consumer that has a billable aspect to it – then the technician has the potential to add 20 to 40 percent more to their income by more clearly expressing that value proposition on everything they do," McGovern explains.

### A maintenance culture

He adds that most shops are technicians at heart, and tend to wait for a failed item. "Unless a customer's vehicle needs a repair, they feel it's inadequate value to offer the customer something else," McGovern notes. "They see anything else as upselling, something that may be judged negatively by the customer.

"Many shops today are trapped in this belief that maintenance is about fluids," he adds. "The truth is, every part on the car can be considered maintenance."

Here, the technician has the opportunity to interact with the customer and make recommendations to help the vehicle stay within its design performance. "It's a process of inspecting every vehicle component, and the performance of those components, and make a recommendation that may not fall within the OE handbook," he explains. "But the customer has to also recognize and share in that goal – otherwise, it's not a wise recommendation.

That's where the listening part of the communication skill set is vital. "You have to ask the right questions, use active listening skills to hear what the customer is saying, to help you better express how that customer will benefit from your services," says McGovern.

The technician needs to express that the replacement of a component in the framework of something like "to avoid a breakdown" or "to add life expectancy", or adding value to the vehicle – making the customer's life more convenient so they don't have to keep coming back.

"That's when a technician has to be come part of your sales team, and that may require re-thinking your business plan," says McGovern.

### Internal communication counts

A few years ago, Redinger teamed up with NAPA Auto Pro, and cited their ability to provide information and training to his small independent shop as a significant factor. "In the last ten years, technology has grown exponentially," he says. "With the NAPA connection, we get good information and also training. They teach you how to make your company more profitable, how to recognize that you're doing better."

But the burden of productivity rests on the shop owner. "A good owner is not an absentee owner, they are at the shop to see the numbers on the board, how many invoices are processed, and how many complaints come in," says Redinger. "He goes to the shop foreman and says, this is where we're strong, this is what needs work. Then the shop foreman goes to the technicians and talks to them."

Redinger says although his shop is small, it's still important to work to keep the lines of communication open. "We all talk together, we share the same jobs, but when something goes wrong, we have a formal meeting and talk about it." 