

Marry Me?

If you were with us last month, you remember how we gutted the 3.0 flat rate hours per customer-pay RO/left side composite fixation. At least, hope springs eternal.

Encore summation: if you're doing 3.0 FRH's, you're either 1) a Maserati store, 2) selling the store, 3) essentially in the heavy repair business or, 4) in the daily practice of blowing customer's heads off and are, therefore, in some phase of the death spiral.

The first two are okay by me, the third is not even half a loaf, and the last is like a mail-order bride from Khakistania. Good chuckles initially but long-term "what was I thinking?"

So where do we go from here? Ready? You sure? Okay, here we go: Relationships. There. Now you have it. Go forth and multiply.

Still here? Then allow me to expand and provide further illumination.

Maximizing hours per RO is strictly a *transaction*-based business. As in one single transaction. It's the million-dollar repair order concept. All you've got to do is sell a couple a year and you're done.

Wrong fixation.

Right fixation: a *relationship*-based business, a marriage.

A relationship-based business isn't fixated on max hours per RO, it's fixated on *sales/gross per customer, per year*.

A relationship-base business isn't fixated on taking a customer's wallet, 401(k) and firstborn on a service visit, it's fixated on having the customer gaily (don't take that the wrong way, it's a word, I checked) compensate us every three months, every three months, every three months, ad infinitum, ad nauseam, ad whatever, it's all good.

A relationship-based business is concerned with "share of wallet" or how do we capture, no, retain, 100% of customer outlays for any vehicle related expenditure on an ongoing, never-ending, till-death-do-us-part basis. If it's vehicle related, we want it and we're gonna keep it.

A relationship-based service department is a total service provider for their customers. Maintenance, repair, tires, paint touch-up, wiper blades, dent removal, detailing, body repairs, accessories, headlight cleaning service, tinted

glass, carpet dying, windshield repair, spinner velocity adjustment, curb feeler tightening, okay, sorry, but you get my point.

Why's this so important? Because our world of service has changed. Think not? Okay, quick age test: Remember 12 month/12,000 mile vehicle warranties? (And if you say you remember the 90-day warranty, just drop me a note. Your nurse can probably get it mailed for you).

How about maintenance intervals? A lot of us and our mass-merchandise competitors are still trying to hang on to 3,000 mile intervals while at the same time the manufacturers are moving in the other direction. Mercedes informs their customers that they can expect between 10,000 and 20,000 miles between services. Peugeot says service intervals are 20,000 miles or 2 years. Even heard rumor of another European manufacturer considering 30,000-mile service intervals (in response, allow me to quote one of my favorite people: "How come dumb stuff seems so smart while you're doing it?" – Dennis the Menace).

Can you imagine not seeing your customer but every two years or a vehicle not being serviced for 20,000 miles? What are they thinking, those wild and crazy guys? The factory marketing gods are smiling, but this most certainly does not help our cause.

How about vehicle quality? Ask your parts manager or parts wholesale distributor about sales rates on AC compressors, evaporators, alternators, starters, brake rotors and even brake pads as compared to three years ago. Then be afraid, be very afraid.

Vehicle quality has improved dramatically, maintenance intervals are increasing, domestic manufacturer market-share is declining, mass-merchandise competition is increasing, and we just lost Florida to global warming.

But, buck up, all is not lost. Unless, of course, we choose not to evolve, to grow, to adapt, to compete in a competitive marketplace, to take advantage of our inherent *advantages*. The advantage of starting out with 100% of our customers while our mass-merchandise competition starts out with zip.

So, the rules, no, the **LAWS** of our new relationship-based business are:

1. Thou must pass *every* variable customer to service in a seamless, consistent, firm (but loving), and assumptive way
2. Thou must have professional and trained service advisors who sell only needed services but sell them every time to every customer
3. Thou must provide every customer with a quality service visit that consists of a pleasing combination of *convenience* (can't emphasize this enough), *quality* (got to fix it right the first time, boy howdy), *service* (the

total process from meet-and-greet to active delivery), and *price* (market-driven pricing, a whole another topic).

4. Thou must set the next service appointment with every customer every time and do even a better job than the dentist's receptionist doest. Job requirement.

Follow along: Customers are adopted into service, their first appointment is set, they are reminded of their appointment and they are followed-up with if they are no-shows (appointment system, a whole topic or novelette in itself, it's that important).

At their first service (essentially a LOF) we're on stage and there's no second chance. Again, *convenience* (in and out, baby), *quality* (best put the drain plug back in), *service* (the total process), and *price* (call your local Express Lube-type competitor and ask their price. Don't be surprised at \$30 bucks and up. Convenience and a quality experience allow them to do so).

At the delivery of this first service, we observe law #4 and set the next appointment (and it ain't in two years, Pierre) and educate them on the next service.

At the next visit, our professional service advisor builds value on the service package that the customer is going to have performed and, again, we must obey laws #3 and #4. And so merrily, merrily on our marriage goes.

And we sell the customers tires when they need them. And wiper blades when they need them. And paint touch-up and dent repair (pace of read quickens here) and body repair and vehicle repairs and parts and accessories and anything and everything that our siren-song competitors are utilizing to woo our loving customers away from us. She's mine and you can't have her. We're married, can't you see the ring?

And, "I Do" means providing the quality, convenience, service, and price experience that she wants and demands.

And so the relationship blossoms (background music), and throughout the customer's service cycle we profit. We profit through enhanced maintenance sales and the resulting increase in shop productivity/efficiency, improved parts sales, and a higher CSI. We profit once a vehicle ages past warranty and the customer-pay repair cycle begins. We profit through achieving more overall sales/gross per customer per year.

And, we profit when that customer re-enters the buying cycle and walks on our showroom floor. Through the back door from the service department to renew his or her vows.

And that's the recipe for success. But, ay ay ay (think Ricki Ricardo sound), FRH's per repair order may only be about 2.0 or so. Golly gee Gomer. Get past that, dog. Relationship-based service departments maximize *sales/gross per customer per year, year-in year-out, not per repair order*. And if you don't get that by now then I'm taking my italics emphasis and going home.

Marry me and give me what I want and, in return, I'll give you increased fixed absorption, high CSI, repeat variable sales, and early retirement.

I do?