Tips for Turning Your Quick Service Lane from a Loss Leader into a Profit Driver

with
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Moderated by
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Greg Criss, President of Criss Consulting

Mr. Criss' career began in the Automotive Sales Industry while searching for the "right" secondary teaching job having just earned his Bachelor of Arts Degree in Teaching. His first two years were in Sales; but he was intrigued by the service department at the Toyota Dealership where he was working in the 1980's and when an opening became available, he accepted the position of Service Manager.

Since that day, Mr. Criss has managed large metro facilities in various cities as a Fixed Operations Director, earning and maintaining titles such as Cadillac Masters, Nissans Presidents Club, Pontiac Masters, etc.

Mr. Criss worked as a consultant for MSX Corporation in the late nineties, and soon started his own Fixed Operations Consulting Firm with a partner in the Pittsburgh Area. His firm helped numerous Dealerships in the Pittsburgh and Cleveland Metro Area. He has been a featured writer with Fixed Operations Magazine.

In January of 2006, Mr. Criss began consulting with Dealer Service Corporation and NCM Associates. Through his presentations and consulting, he has improved fixed operations results for Dealers in net profit and consumer happiness all over the United States.

Mr. Criss has spoken before large association groups such as the Chicago Auto Trade Association, Eastern New York Car Association of Retailers (ENYCAR), and has performed dozens of weekly training workshops such as "Service Advisors Bootcamps," "Service Manager's Bootcamps," and On-Site Seminars for Mega Dealers such as the Holman Group, the Ridell Auto Group and the Sunset Auto Group.
Tips for Growing Profits in the Quick Service Lane

“Study the Past if you would define the future”.....Confusius
Remember the 70’s, 80’s, & 90’s

• Busy in Shop with Big work.
• Quality was not as good.
• Oil Changes were an interruption to business
• Cost vs. Sale didn’t make sense to re-dispatch a repair order.

The Result

• We created a Billion Dollar Business by not being attuned to the needs of our customers.
• The Billion Dollar Business was Aftermarket Servicing.
The Awakening

• And at different dealerships during this thirty year span, there was an awakening by astute service managers, starting to think out of their nine – dots and being able to service their customers better.

The Result

• Was that 100’s of systems evolved to handle the quick oil change.
• Some extended hours
• Assigned “Oil Change” technicians
• Some created teams
• Some dispatched by mileage and skill level.
• And on, and on.
The Successful Ones

• Were sought out by the manufacturers and studies were done.
• And, the studies showed that the more comfortable a customer was, the more likely they were to buy the same type of vehicle again.

Manufacturers

• So the manufacturers’ jump on the oil change bandwagon, offering cheap coupons to drive traffic into the service department.
• And many of the departments weren’t ready.
• So the manufacturers’ created their own programs to install in dealerships to make sure these customers are handled. Maybe your program is one of those installations.
Side Effects and Disconnects

• The goal was to offer a “cost effective” way of performing oil and filter changes using a process that could be taught to just about anyone. “Since we can only get $35.95 for the oil change, we’ve got to keep our personnel costs low...”

Side Effects and Disconnects

• So we put complete newbies through training. We give them Green, Yellow, and Red, sticks to measure the tread depths, and the brakes.

• We give the advisors in many cases, op-codes to put on the repair order, so that we can market to those customers who we don’t sell.

• And we monitor the number of oil changes we did today, this week, this month, etc.
Conclusion #1

• In many cases, when we adopt a Quick Lube concept, we may be shifting as much as, or more than 60% of our customers to our least experienced, least knowledgeable, and least caring employees!

Retention

• Many of us are measuring retention by the amount of oil changes we performed this month. Is it really a good indicator?
Maintenance

• Most customers/guests have a better ownership experience with vehicles that they maintain properly.

• They typically have fewer break-downs.
Break-Downs

- The issue with break downs is that they are:
- Never Convenient
- Never Inexpensive
- Almost Never Safe

Manufacturer’s

- The Manufacturer’s recommendations have been stretched to the limit.
- Oil Change Intervals
- Filter Changes
- Fluid Replacements
- So Why would we fail to mention the “Bare-Essentials” of Maintenance?
Owner’s Maintenance Manuals

• Many of the owners’ manuals are now between 400 – 700 pages.
• Again, we’re time starved, so most of your customers think that if they get an oil change and a tire rotation, they’re doing a great job of maintaining the vehicle.

Convenience Driven

• All of this was to put together to compete with our local lube centers by making it more convenient for our customers.
• The businesses that address the customers’ time issues are the ones that will win.
• 85% of Customers are Convenience Driven. Meaning that price is secondary.
No Appointment Necessary

- Circadian Rhythms vs. Staffing
- What about scheduling the “Next Appointment” based on the driving history (see history) of the vehicle.
- Word Track..... “I’ve taken the opportunity to schedule your next oil change. Looks like Thursdays are good for you, so ......

Process

- We must have a process to review the Manufacturers’ recommendations with our guests.
- My Mom won’t buy a transmission service if she doesn’t know what it is, but if it is explained, she will. She wants to keep her car in the most safe, most economical condition.
Obligation

• Don’t we owe it to all of our customers for us to treat them like they are our Moms?
• So, what does that say about our Multipoint Inspections? Who inspects the Multipoint Inspections and how do you train your Lube techs to perform a proper inspection?

Brake Inspections

• “Well, we only inspect the brakes if we’re rotating tires……”

• What about the customer that comes in with 90,000 miles and doesn’t want a tire rotation?

• How much would we pay in advertising to have a shot at selling those brakes?
$0 Advertising

• And, we didn’t have to spend a dime more, the customer is already here?
• What processes do you have in place to assure success?

Brake Sticks

• And, what about those Red, Yellow, Green brake sticks?
• These sticks were designed to place between the holes in the wheel to give an idea of brake wear.
Problem

• If you speak to any qualified technician they will tell you that the inner pad is the one that usually wears thin first.
• To get to the inner pad, the tires must be removed.
• On the tire rotations, I will see the techs still measuring the outer brake pads.

Deeper Issue

• When the customer brings the vehicle to the dealer, they expect a higher quality of service.
• What happens when we tell them their brakes are good, and then 2000 miles later they need brakes?
• What happens to our credibility?
• And, we might just take a possible sale directly to our policy account. (dbl Wammy)
Hidden Issues

• With a safety inspection, I expect the technician to deem my suspension and steering ok, or not.

• When I ask technicians to show me how they measure whether a ball joint is good, I see all kinds of things.

Beginnings

• Management must put a high value on the Multipoint Inspections.

• Management assure that all technicians know what they should know about the proper inspection of a vehicle.

• Management should hold classes and have technicians trained prior to hitting the oil change pit.
Liability

- Automotive News Reported (4/12/13) that a dealership was sued and lost 15.7 million dollars because of poorly executed multipoint inspections resulting in a vehicle wreck with 4 injured persons.

Beginnings

- Management should have one of their better technicians lead this training.
- And, do we owe it to our customers/guests to have someone qualified to perform the multipoint inspection?
Hiring

• I see a mixed group of people working in lube areas.
• I see the ones that just got fired at Bed, Bath, and Beyond and are waiting for that dream job at Dave and Buster’s to open up, and I see young people that really want to be technicians, but get discouraged because they don’t have any leadership and aren’t Learning their trade.

Hiring

• Do you go through a lot of lube people?
• Did you lose some people that you thought were going to be the new future of your dealership?
Opportunity

- What a great opportunity to Mentor these talented young techs.
- What would a mentor do in the lube area?
  - Oversee the Quality of the Multipoint Inspections
  - Take these technicians to the next levels by allowing them to perform other duties; brakes, etc.
  - Instill a process for the oil change, maintenance recommendations, and Multipoint.

World-Class Service

- How does every new technician know how to reset the oil change interval light?
- You might have resources, but do they know how to use the resources?
- A mentor could also make sure that the vehicle is delivered to the customer with interval light done properly, and the vehicle clean. Or assure attention is provided.
Feedback

• When was the last time that one of your lube technicians received feedback, either positive or negative?
• Psychologists call this Extinction.
• According to Wikipedia...”When operant behavior that has been previously reinforced no longer produces reinforcing consequences the behavior gradually stops occurring”

Knowledge

• Knowing that Extinction Law, what do you think is the quality of your inspections?
Dealership Training Curve

• Most Managers do a great job of training the original staff when installing a new process, and expect that process to train the others.
• What happens to the process after a few years?
• It typically will morph out.
• Consistent training is the key with employee turn-around.

Time Issues

• The Lube Advisors just don’t have time to review the recommended maintenance with the customer.
• Create quick “Common Sense” Menus to share with our customers. Include air filter replacement intervals, fuel filter replacement intervals, wiper blade intervals, etc.
Create Word-Tracks

• If you don’t create what you want said, then ANYTHING can be said, or NOT said.

• “Mrs. Smith, I wanted to bring to your attention that your vehicle just turned _____ miles and we recommend at that mileage that you do the following:”

Create Word Tracks

• Enlist the help of your Sales Manager. They are trained in word tracks. Tell them what you want, let them get it down, then write it out.

• Require it on EVERY CUSTOMER/EVERY TIME.
Comfort Zone

• If you have a Lube Advisor that doesn’t feel comfortable with talking with Mrs. Smith about the recommendations, then we need to train until they are comfortable. (Training sessions begin on Friday at 6pm)
• This is not a subject of negotiation. My mom would not understand why she wasn’t told why she needed a transmission service.

Declined Operation Codes

• What do “Declined” Operation Codes do for us?
• Managers should create “Declined” codes for quick service use.
Declined Operation Codes

• Tell me that the Advisor recommended the maintenance to the customer.
• Reinforces to the customer that this service is important to perform and they “opted out.”
• If the Advisor doesn’t put a decline on the repair order and there isn’t a maintenance sale, then it’s easy to assume they never asked.

Reinforcement

• A good job is recommending to Every Customer Every Time.
• If there are declines on the repair order, I feel good that the advisor is doing a good job, but it never hurts to review the behavior in person.
Reinforcement

• I see technicians and advisors spiffed for up-sells.
• When was the last time a technician was spiffed for doing a great multipoint inspection?
• Is it appropriate to spiff the Advisor for Declines?

No Appointment Necessary

• Wonderful Concept. Sounds so “Free Spirited.”
• I won’t go to a place where I can’t get an appointment.
• Are you losing traffic and customers because you don’t take appointments?
Customer Care

• To Protect and to Serve.
• I want my vehicle protected.
• Yes, there is expense involved. Get over it.
• Get in a vehicle with a greasy steering wheel, it’s not fun.
• Take the protective coatings off as you’re delivering the vehicle.

Coupons

• We don’t need no stinking coupons.
• Stay competitively priced. You don’t need to offer a $14.95 oil change. The average price is about $42.00 for semi-synthetic oil.
• Your $14.95 coupons are costing you in Policy Account adjustments (I bet).
**Coupons**

- If you are priced too low, you are throwing money out the door.
- If you are doing 600 oil changes per month and you raised your price (and are still competitive) $4.00, that’s $2400 directly to your gross profit and that will fall to your net profit too.

**Opportunity**

- R. L. Polk says the average age of a vehicle in the US is 11.8 years old.
- Imagine the profit that is going out your door because we didn’t do a great inspection on the vehicle.
- Yes, air filters, cabin air filters, etc., are nice...but is the vehicle truly safe to drive?
Action Plans

• If change is important enough to you, then build action plans and timelines.
• Assign responsibilities to the timelines.
• Delegate
• Hold Accountable
• Reap the benefits of having a great business
• Grow

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