



### **Employee Training is Vital to Business Success**

Dear Servicing Dealer,

As I read the articles on professionalism and training in this issue of *Dealer Success Guide*, I was reminded of my recent meeting with two of the owners of Tri-Green Tractor in Indiana. I had the pleasure of meeting Jason and Michelle Pearson during their trip to STIHL Inc., which was part of a prize package they received as a result of their corporate parts manager, Marty Catron, winning the STIHL iCademy® Train2Gain Challenge.

The Pearsons' commitment to training is evident in the number of their employees who are active on iCademy and the amount of time they spend with the interactive training modules. For Tri-Green Tractors, training is not an afterthought, but a vital component of their business success. Well-trained employees who know the products and services they offer not only have higher job satisfaction, but enhance the professional image of your business, sell more high margin merchandise, and deliver the customer service that will turn first time shoppers into loyal, lifelong customers.

Don't let a lack of training hold your business back. Find out all the business resources that your suppliers offer, and then invest some time making them available to your employees. I believe you will find that it could be the fundamental differentiator that sets you apart from your competition and adds value to your bottom line.

Sincerely,

Fred J. Whyte President STIHL Inc.



Chris Alfeld (territory manager for STIHL distributor, Bryan Equipment Sales), Julia Catron (wife of Marty Catron), Marty Catron (Tri Green Tractor LLC, iCademy® millionth test-taker), Fred Whyte (president of STIHL Inc.), Jason Pearson (owner, Tri Green Tractor LLC, winner of truck), Michelle Pearson (owner, Tri Green Tractor LLC), Jenn Harr (national training assistant, STIHL Inc.)

Volume 26 contents

#### **04** A Show-Stopping Showroom

Tips and tricks for a showroom that makes customers comfortable and eager to buy.

#### 06 Up Your Curb Appeal

Maintain an attractive dealership exterior to draw customers into your business.

#### **07** Master Mobile Parts Sales

Carefully outline the logistics before breaking into the mobile parts sales business.

### 08 Better Marketing of Wood-Handling Products

Keep sales of the product category up year-round.

#### 09 Upsell, Cross-sell, Resell

A checklist for hitting all sales opportunities with existing customers.

### 10 Five Easy Ways to Build a Mobile Marketing Database

Consider developing a mobile marketing database with the help of these simple steps.

#### 12 Top 5 Underutilized Online Tools That Help Build Your Business

Use these tools to build awareness and drive sales.

#### 13 Close More Sales

Tips to help you close more sales through negotiation without giving up margins.

### 14 The Difference Between Business People and People in Business

Learn how to view things as a businessperson.

### 18 Five Things Dealers Should Know About Health Reform

Remain calm and in control with this Affordable Health Care knowledge.

#### 19 Wellness Programs Lead to Savings

Instituting a wellness program reduces healthcare costs while increasing employee output.

### 20 Developing a Disaster Preparedness Program

Organize, develop and administer a preparedness program that protects your business from disaster.

#### 21 Six Ways to Motivate Top Talent

Motivate your top talent to achieve your company's goals despite economic limitations.



#### 22 Tips for Running a Great Meeting

Conduct meetings that boost your credibility as a leader and help your business achieve its goals.

#### 24 Turn Ideas Into Reality in 4 Steps

When you take the time to implement this fourstep process, you will make better decisions and achieve greater results.

#### 26 Today's Professional Dealer

Protect your professional image by avoiding these mistakes dealers often make.

#### **27** Dealer Education Brings Profitability

Focus on improving profitability with the help of education and business management tools.

### 28 Your Future Depends on Partnerships

Successful partnerships with your customers and suppliers are built on communication and are the livelihood of your business.

#### 30 Walk-ins Welcome

Keep shop workflow under control with wellthought-out and communicated repair policies.

Read past *Dealer Success Guide* volumes and articles by visiting greenindustrypros.com and searching for "Dealer Success Guide"

A Show-Stopping Showroom

Tips and tricks for a showroom that makes customers comfortable and eager to make a purchase.

our showroom is the face of your business. Not carefully planning and creating a shopping environment that attracts customers and encourages purchases is like going to a business meeting without a fresh shave. You want to show that you are dedicated to the customer—and the products and services you provide—through the attention paid to the showroom. Make a showroom update part of your next business plan and implement the following tips in that plan's execution.

## Create a comfortable environment

There are many things that play into creating an environment that is comfortable to shop in. A clean, well-lit store at a comfortable temperature (around 72°) is a good place to start. Keep the smell of oils and gasoline, as well as loud noise, in the shop from interfering with the showroom experience.

Make sure that the stock in the showroom is proportionate to the

space. You don't want to cram too much into the space or have a bare area. This can leave customers overor under-whelmed.

Many studies have been done on how color can impact a retail environment. Create a color scheme based off of your branding for a professional, put-together look. Light-colored walls are the perfect starting point that give the illusion of more space. While many manufacturers offer product displays and signs, incorporating several in the showroom can be too much. Sell yourself as a brand first, the manufacturer second.

## Service and parts counter

The service and parts counter is often placed visibly in a direct line from the store's entrance. Depending on the distance from the front door, placement of the counter can get in the way of the flow of the remainder of the store. A good customer traffic pattern allows the customer to travel through the store and see all product

lines on their way to the counter.

OIL & LUBRICANTS

Set the counter toward the side or rear of the store. The Cracker Barrel restaurant is a good example of how this works. In order to get to the restaurant, patrons have to walk through the gift shop to be seated by a hostess. While some people might plow through with their hearts and stomachs set on a mountain of mashed potatoes, others will linger and make an impulse buy. There is also an opportunity to capitalize on this travel pattern on their way out of the store.

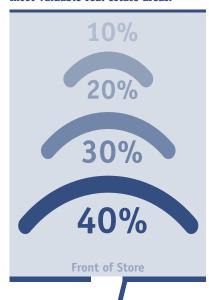
#### Displays and grouping

You are going to want to keep like products together (mowers with mowers). This adds to convenience for the customers who are shopping by product and not brand. They can easily compare different brands without walking all over the store.

Where you place a given product should relate to its margin. Give the higher-margin products the best seat in the house so they are always seen first by the customer who walks through the store.

Displays should be fully stocked and organized. Make sure products and equipment are placed neatly in rows that are easy to navigate between. Many dealers are limited by the size of their showroom. Utilize different kinds of displays (wall fixtures, islands, end caps and counter displays) to take advantage of all that you have.

The farther you go from the entrance, the least valuable the real estate. Place the high-margin items in the most-valuable real estate areas.



40% of sales will be in the first quarter of the store

30% in the second quarter 20% in the third quarter

10% in the part of the store farthest from the entrance

#### **Smart signage**

Good signage is clearly legible and should inform customers on products and services without requiring them to make personal contact with a dealership associate. Include signage throughout the showroom that shows what value-added services you offer.

Use text accompanied by images to communicate your services in signage.

A good way to put customers at ease with trusting in your shop to provide quality service is to display photos of technicians alongside any certification they have received. Tout mechanics as specialists and give them the representation they deserve.

Signs should also direct customers to each product category within the showroom. Products should be clearly labeled with price, product and warranty information. Clear and consistent signage on all products goes a long way in making the customer comfortable in the retail environment. It informs them and reduces the likelihood that they will want to negotiate price.

There is a fine line between informing and overwhelming. You don't want to crowd the store and customers' minds with signage. Try walking out and entering your store and looking at it from the mind of the customer. What grabs your attention first? The answer should be the equipment, not the signs.

#### **Embrace the seasons**

To make customers excited about visiting your store, change things up often. Create displays that correlate with the different tasks to tackle that season. In the winter, gather some snow removal products like shovels and snow throwers and display them with bags of salt, hand warmers and artificial snow. You can also incorporate a mannequin in the mix, dressing it with the appropriate safety apparel required for the products displayed.

There are many holidays throughout the year that can bring some excitement to the showroom. Get creative and involve staff in decorating to build a little camaraderie. Just be sure that your festiveness doesn't outshine the products on display.

#### Research and beyond

To get more ideas for your store, visit other independent dealers as well as big box stores. Check out how stores of varying sizes display their products and work with what space they have. As much as you may resent the big box stores, know that a lot of research has gone into their store layout and product presentation. Like gum at the register in the grocery store, place small fast-moving products like oil near the register. You can also talk to customers about what they do and don't enjoy about the environment you have created.

You may also want to consider hiring an expert for additional input and manpower. A consultant can help you decide which areas to focus on and help you develop a thorough plan for implementation. They may also have some vendor contacts to share.

If you don't want to spring for a consultant, talk to industry associations or your various territory representatives for ideas. Industry forums may also provide some insight from other dealers looking to see and share what works. As long as you set aside at least some time for you showroom in the next year, you will be better off.

#### **Quick Showroom Tips**

- The main aisle should be at least six feet wide. All other aisles should be at least 4 feet wide.
- 2. On the shelves, display highmargin items between waist and eye level.
- 3. Floor space should be divided by product category first, brand second.
- 4. Key departments should be immediately off of the high-traffic main aisle.
- 5. Periodically change the location of high-traffic items to get regular customers into different areas of the store.

## **Up Your Curb Appeal**

Maintain an attractive dealership exterior to draw customers into your business.

he image of your business projects a message to customers that influences the likelihood that they will purchase goods or services from you. You need to be able to attract customers in order to succeed in business. The exterior of your business can either help or hinder your success at attracting customers.

Advertising and promotions are part of that attraction, but many dealers forget about curb appeal. Simple fixes to the exterior of your business can help draw your customers in. Fresh paint is a good start, but there are many things to consider.

## Window and equipment displays

Communicate the products and services you provide from outside the store with product displays and signage.
Use plain English and avoid jargon.

Be easy to find with signage and the business address easily legible from the street. An engaging window display helps greatly to attract customers and influence them to enter the business. The display should convey a message to the customer about what they "need" to buy and why.

Consider how you set up a display based on whether your business sees a lot of pedestrian or vehicle traffic. Simple and bold signs are best for eyes viewing displays from far away. More complex and involved signage is better for potential customers walking by.



Dealers benefit from having a product that is easily and effectively displayed outdoors. Take advantage of your outdoor space and display equipment curbside as part of special promotions. It is a great way to call attention to special sales or service promos, as well as highlight new brands or products available inside.

#### Access and parking

A parking lot with entrances and exits that are easy to spot and maneuver can help your chances at attracting customers through curb appeal. If there is a separate entrance and exit, be sure they are clearly labeled.

Parking spots should also be labeled and outlined. An adequate amount of parking is imperative. You want to be sure there are numerous spots, and also some larger parking spots so commercial customers can park their trucks with equipment trailers easily. If space allows, designate pull-through parking spots for commercial customers. Have employees park their vehicles behind the business or in spots farthest from the entrance, making customer convenience priority.

Your parking lot should also be clean and evenly paved. If a customer has to step over garbage, holes and puddles to get to your door, it is likely they won't come in.

## See through the customers eyes

As a dealer spending so much time inside your dealership, it is easy to take the exterior for granted. You and a few of your employees should try this practice. Drive past the business from both directions and assess the following:

- Is it clear what your business sells and the services you provide?
- Is the curbside presentation of your business clean, professional and inviting?
- Is there something specific on the exterior of your business with a call to action that pulls customers inside the dealership?

Try to see the dealership through the eyes of the customer. What would keep you from visiting your dealership based on its exterior? Ask some customers their opinions as well. You want to increase your curb appeal so you don't lose the sale before the customer even enters the dealership.

## **Master Mobile Parts Sales**

Outline the logistics before breaking into the mobile parts sales business in order to operate profitably.

hen they opened a new location, the team at Kingline Equipment saw mobile parts service as a great opportunity to connect with their new customer base while growing high-margin parts sales. After purchasing a truck and developing a plan for delivery, they were soon reaching customers in their new market in a new way.

"We needed to grow our parts business overall. We were entering new markets and it was a way to get a jump start in the area with a new store," shares Todd King of Kingline Equipment with locations in Florida and Alabama.

## The man and wheels for the job

When they decided they wanted to offer the mobile parts service, the company purchased a vehicle for delivery. The parts delivery van also serves as a moving billboard for the business, outfitted with their logo and advertisements.

"We purchased the vehicle before we started (thinking) it would be difficult to be efficient without the right equipment," explains King. "We also felt like making the investment up front keeps us committed to staying on task with this project."

More important than the van to deliver the tools, is the salesperson behind the wheel. Mobile parts sales is more than a delivery service, and requires an individual who can manage the stock, remain patient and sell their products and knowledge.

"It is important to have the right person in this position," says King. "You get told no more than yes, but persistence pays off."

## Managing inventories and routes

Parts sold through the mobile service make up 10% of the dealership's total parts sales. The mobile parts delivery service is offered only to professional users who own multiple units and have their own in-house mechanic. Depending on the contractor's volume, the mobile parts service makes a visit to them biweekly or monthly.

King tracks profit for parts sold through mobile delivery separately from in-store merchandise. Inventory is adjusted so parts turn monthly at a customer's location. Slow-moving parts are moved back to the store for stocking.

#### Keep it on a schedule

King cautions against making deliveries too frequently and outside of scheduled visits. While it is convenient for the customer, it can get costly and counterproductive for the dealership and mobile sales service.

"Be careful not to turn into a delivery service," says King. "Customers still need to utilize the store for parts between stocking events."

Along with keeping the visits to a minimum, keep small talk on deliveries limited as well. While some small talk is good for building your relationship with the customer, keep them focused on the parts. It helps you to get more sales and save time on the road.

To get started in the mobile parts delivery side of business, you may want to set up a ride-along opportunity with another dealer who offers the service, or a tool delivery driver

Mobile parts sales is more than a delivery service, and requires an individual who can manage the stock, remain patient and sell their products and knowledge.

Decide on a service area you are comfortable with. This might be right in-line with your equipment pickup and delivery boundary, if you offer such a service. If a customer is outside the decided route or boundary, asses the time and fuel costs as they relate to the promised sale.

that serves your business. They can offer you some insight into the logistics of the business. You will want to nail down the logistics before starting your engine.

## Timber!!!

Keep your sales of woodhandling products up year-round with a strong marketing effort.



itting your wood-handling and tree-care customers with effective marketing campaigns can mean the difference between a cautious consumer and an engaged purchaser. Knowing the buying and market trends will help you to develop a thorough and successful plan for marketing. Timing it right furthers the success of your marketing efforts.

Don't forget to also push parts sales and maintenance in your marketing efforts as well. You can do this right around the same time as pre-peak advertising. Remind customers that they will want their wood handling products in working order when they need them.

## Marketing suitable for your region

A strong focus on marketing can help grow chainsaw and other woodhandling equipment sales. Marketing throughout the year, with an increased push at peak seasons, will bring you the best results.

Spring and fall make up the two peak chainsaw seasons. Spring cleanup and fall preparation are what boost sales. It is best to do your most aggressive chainsaw marketing in the early spring and early fall before the seasons start. Other wood-handling products like chippers and brushcutters require

aggressive marketing right in-line with chainsaws.

Seasons vary by region and so do equipment needs. Knowing what your market requires is indispensable. The fall season means trimming, felling trees and cutting firewood. Throughout the spring, hurricane season can also be a high-demand period for chainsaws in certain areas. However, hitting the chainsaw market should be considered year round.

Effort throughout the year can keep sales going outside those peak spring and fall months. The weather in southern states doesn't change as much as in the northern states. With no real peaks in the seasons, southern customers should be aggressively marketed to year-round.

## Homeowner and commercial customers

Both homeowners and commercial users should be considered when marketing wood-handling products. While the bulk of sales are made to commercial customers, homeowners have shown an increased interest in the products, especially chainsaws.

STIHL INC. has seen a growth in sales of "homeowner" models. "STIHL has always appealed to the professional, whether it is a logger, landscaper or some other professional," says Douglas Yeates of STIHL Inc. "Howev-

er, as our brand awareness increases, more and more homeowners are beginning to purchase STIHL products. This trend is expected to continue."

Commercial and consumer cutters are looking for some similar features that add up to a durable and easy-to-use product. Whether in the yard or on the jobsite, the chainsaw should offer quality results and be comfortable to handle for extended periods. The primary feature homeowners are seeking is an easy-to-start chainsaw that starts every time. When they only use the equipment a few times a year, it is important that it is reliable.

Products like chippers and stump cutters are larger, and not necessarily needed or attainable for all customer segments. The typical customers for those products are do-it-yourself large property owners, contractors and municipalities.

Not many homeowner customers would purchase the equipment, but are far more likely to rent it or hire a contractor to help. If they are a very large property owner, they may want the equipment on-hand for upkeep.

To succeed in marketing your chainsaw and wood-handling products, you need to know your target market and when to hit them with your marketing efforts. Taking the time to know them and their needs will help you to push the product segment.

Upsell, Cross-sell, Resell Checklist

xisting customers are the best target for increasing revenue. Use the checklist below to be sure you are taking every opportunity to upsell, cross-sell and resell products and services to your current customer base. Post this list where sales employees can see and consult it.

#### **UPSELL**

- Upgrade to a premium brand
- Upgrade to a more fully featured product
- Offer a higher level of service (getting special preference for equipment repairs, regular on-site mobile parts sales visits)
- Increased hours of service (early-morning, late-evening equipment service or parts sales access)
- Full setup service (equipment delivery and setup)
- Outline an extended service or maintenance contract
- Extended warranty options
- Faster delivery time on equipment and parts sales
- Product or service to extend the life of the product (equipment maintenance packages consisting of service and parts)
- Materials that emphasize reduction in downtime (on-hand parts)
- Status reports (access to reports on the status of a part/equipment order as well as repair status)

• On-site demonstration on how a premium product compares to the current product



- Create a comprehensive consulting package to address the customer's objective (for example, bundle in additional services like maintenance schedule reminders)
- Add in complimentary service packages like chainsaw sharpening
- Offer special packages at certain times throughout the year
- Create common product (wholegoods and parts) and service packages or bundles
- Use pairing recommendations made by other customers concerning products and brands

#### RESELL

iStockphoto/Thinkstock

- Shift from one-time invoices to monthly or quarterly payment plans
- Implement a credit card autorenew program
- Punch cards i.e. buy 10 get 1 free on high-volume parts
- Discount incentives for existing customers on sales referrals
- Special rebates or bonuses with high-volume parts purchases

Visit gettingbettercustomers.com for more ideas.

## 5 Easy Ways to Build a Mobile Marketing Database

Why you should consider developing a mobile marketing database and how to do so successfully in just a few steps.

obile marketing continues to get more attention and prove to be an effective option for small businesses. Still, not many small business owners know how to start a mobile marketing campaign.

One of the biggest advantages mobile messaging (from a Multimedia Messaging Service or Short Message Service) brings to your existing marketing plan is the extremely high average response rate. From speedy opens (usually within three minutes) to high click-through rates (an average of over 50%) to driving sales and online and in-store traffic, very few traditional marketing options bring as much ROI as the multimedia branding power of a Multimedia Messaging Service (MMS).

## Why is mobile message marketing so successful?

Mobile message marketing is the most accessible and easy-to-use form of mobile marketing for end users. Consumers don't have to download an app or scan anything. They just have to know how to use text messaging, which has become even more utilized than voice calls on mobile phones.

With MMS marketing, brands and marketers can provide their consumers with rich media and immediate text messaging rather than email or



direct mail. Also, with strict rules and regulations enforced by the MMA (Mobile Marketing Association), CTIA (The Wireless Association) and cellular carriers, creative mobile messaging campaigns feature content delivered only to customers who explicitly opt-in and give a company permission to send them messages. This ensures that you are reaching only customers that are interested in the products and services you are promoting.

# How does a customer opt-in to a mobile campaign?

**Text to short code:** It's easy. All the customer has to do is send a text with the provided keyword to a 5- or 6-digit short code and then their mobile number is entered into your program.

**Web opt-in:** Another way to provide your audience a method to opt-in is

#### **Text Message Marketing Stats and Facts**

**6.5** billion text messages are sent each day in the U.S.

**97%** of text messages are opened within 3 minutes

32% of U.S. mobile customers prefer offers by text over mobile web (21%), apps (11%) or voicemail (8%)

The average click-through rate for text message marketing is 14.06% with a conversion rate of 8.22%

The average email click-through rate is **6.64%** with an average conversion of **1.73%** 

Courtesy of MOGREET, mogreet.com

to use a web opt-in form that connects an Application Programming Interface (API) with a specific database on your messaging provider's platform. The forms can be designed to segment users' interests and choices for specific text alerts (regional weather alerts, special products, etc.). The user enters their number into the form, and will then receive a text message on their mobile phone to confirm that they signed up for the mobile messages.

# How will the customer learn about your mobile messaging program?

It's crucial to implement a promotional strategy that ties in your mobile campaign in order to build a mobile database. The secret to growing and maintaining a loyal mobile subscriber database is to use a compelling offer or incentive to pique the consumer's interest in being a part of your program and motivate them to stay on the list. Below are five ways to build your mobile database.

#### 1. Be relevant

Drive opt-ins by offering compelling content designed to drive immediate use. Consider short-term offerings to entice your fans to join:

- Exclusive video content
- Coupons
- Sneak peeks to new offerings
- Relevant news alerts
- Weather alerts
- Early access to specials

#### 2. Be creative

The more creative and/or relevant your offering is, the more opt-ins you are likely to receive. Try to include:

- How-to videos
- Product reviews
- Photo albums

#### 3. Be engaging

Consider interactive campaigns to drive opt-ins

- Text-to-win campaigns
- Trivia
- User-generated content programs

#### 4. Be personalized

As you build your database, take advantage of customization opportunities to drive even closer relationships.

- Customize content by location (weather, news, etc.)
- Gather birthday information and offer special promotions on those days

#### 5. Promote

If people don't know about your campaign, they can't join. Be sure to heavily promote your keyword and

shortcode to your audiences by adding a call to action across your existing communication platforms.

- Add a call to action on your website front page and contact page
- Share it with your existing email database
- Include in all forms of advertising (print, on air, radio, etc.)
- Post across social media platforms
- Add to product packaging
- Utilize at the point of sale
- Train staff to encourage customer registration. ■

Source: The Mobile Marketing Association at mmaglobal.com based on a case study conducted by MOGREET (mogreet.com).

#### MMS vs. SMS

#### Multimedia Messaging Service (MMS)

MMS messages are sent to the message center and then sent to the recipient via the internet, if the phone supports MMS formats. If it doesn't, the MMS can be viewed in a web browser. Challenges faced when using an MMS include: spamming, content adaptation, distribution lists, and poor handset capabilities. There is no limit to the number of characters in a message sent through an MMS.

#### Short Message Service (SMS)

When using an SMS, message centers are responsible for sending and receiving texts. They also try and re-send messages if they failed in the first try. The downside to using an SMS is the risk of spamming. The limit for communications is also 160 characters.

# Top Online Tools That Help Build Your Business

How to use these tools to build awareness and drive sales.

mart business owners utilize websites to communicate important information like contact details, service areas and industry expertise in order to give the public a solid first impression of their business. Once your site is live on the web, consider how you can best utilize it to maximize your communication and outreach.

Online marketing initiatives are plentiful—but often neglected or misunderstood on the path toward business growth. Various opportunities like those explained here can serve different purposes in reaching a target audience, but all help increase the visibility of your business online.

## Search Engine Optimization (SEO)

SEO focuses on improving website content so your web page best communicates your services and is more easily found by search engines.

Search engines send out "crawlers" around the web when someone performs a search online. These crawlers "read" websites to find content that matches the search terms. Then, using a complex algorithm, they rank websites by their relevancy.

An effective way to achieve a favorable ranking in results is to incorporate industry-specific keywords and phrases into your website content. Also, updating website material regularly shows your site is an active and current resource.

Keywords are not just useful in page

text. They should also be incorporated into photo captions and image tags. Because crawlers only search text and not images, labeling any visuals on your website gives them additional material to search, as will any third-party links you post, for example, on a page offering visitors additional resources for information. It is a great customer service element and also boosts the probability for better SEO.

## Search Engine Marketing (SEM)

SEM is a tactic to help businesses place advertisements within search engines like Google. Using this element of online marketing is another way to improve visibility, and is usually done in two ways:

- As visual ads that incorporate text, imagery and a link to the sponsor's website
- Direct links that appear around the edge of search results

Just make sure your SEM strategy incorporates keywords that coordinate between the ad and the website. Even if an ad is only seen once by a customer, the company's brand awareness can improve.

### Local Listings and Directories

A local listing provides your business details in targeted search results through Google or Yahoo Local, for instance. You can also submit company business details to online directories like Yellowpages.com.

Both of these options specifically place your business in front of people from surrounding communities who are those most likely to use your services.

#### **Mobile Optimization**

Web-capable mobile devices are a staple in everyday life. A website built for mobile means you are truly accessible to your customers, offering a website suitable in functionality and appearance to smartphones. This type of optimization can generate more traffic, give you an edge over competition, and boost customer engagement.

#### **E-newsletters**

One of the most important tasks for a business is to maintain regular communication with its customers. Developing a newsletter program with a concrete audience will provide an important marketing asset for your business. Use emails to keep customers updated with useful content by sharing business updates, positive customer feedback and special services on a regular basis.

For industry professionals like yourself, knowing your audience and connecting with your customers is an important aspect for growing your business. The internet is a prominent tool in consumer lifestyles, so using it to market your services can be to your advantage.

1&1 Internet Inc. is a global web hosting provider offering small businesses a one-stop-shop for getting online. Visit 1and1.com for more information.

## **Close More Sales**

Tips to help you close more sales through negotiation without having to give up your margins.

never saw the mass merchandiser as a big threat. Obviously they sold a lot of equipment, but I was always happy to take it into my shop and service it. The mass merchant is not typically the biggest enemy of the dealer. It is other dealerships that don't know how to properly sell that kills the whole marketplace.

These dealers are focused on simply getting rid of equipment no matter what it does to their margins. Some of this is the manufacturer's problem. They are so intent on growing market share that they put dealers on top of each other more and more. It makes it a lot more difficult for dealers.

It's important to remember that people buy people. People don't buy products and services. When shopping for equipment, 25% of people buy based on brand and 75% buy based on the dealership. Customers are walking into your dealership for a reason. You should be able to make good margins knowing they chose you. Here are some ways to maintain your margins and get the sale.

#### Be a better negotiator

Selling is a process. Negotiation is not separate from it; it is a part of it. Every time you are working with someone who is going to buy something from you, you have to assume they are going to want to negotiate with you.

Set yourself up in the beginning, knowing you are going to need to negotiate in the end. Talk about the equipment and other value-added things that you as a dealership can bring to that sale.

To be a better negotiator, you need to be a better qualifier. Too many times dealers don't qualify the customer and find out what their pain points are. When a customer comes in, ask them what they have now, and if they could change anything about it, what it would be. Now you know what their pain is. During negotiating you can bring up that pain point and use it as leverage.

#### The price objection

When a customer comes in and is looking at a mower and mentions that the dealer down the street is selling it at a lower price, remember that if they didn't already buy it from that dealer, they didn't want to. The first thing you have to understand is that they want to buy from you. Let's say it is a \$5,000 mower and the other dealer is selling it for \$300 cheaper. We know that they have already bought \$4,700 worth of your mower in their mind. All you have to do is sell them on the other \$300.

I tell all of my salespeople to start by asking the question: "I understand we are \$300 apart here. Assuming I can make that \$300 disappear, are you telling me you are in a position to make a decision on this piece of equipment right now?"

In most cases the person is going to say they aren't ready to buy that day. Well, then the \$300 is not the problem. So they really aren't sold on



who they should buy it from. Then share with them why they should buy from your dealership.

## Attaching value to benefits

Explain the service department's capabilities, the parts department and what's in stock. Explain to them the services that are built into a purchase from you and what that \$300 is worth.

Never give away money, but offer a discount on service and parts; things the customer is going to need in the life of the mower. Show them that you have things to negotiate with: parts packages, service packages, pickup and delivery. Use things that don't cost you 100% of their value to negotiate. Attach value to these benefits and discounts that add up to near the \$300 more they are paying at your dealership.

Make sure the customer doesn't get that full \$300 back. If the customer gets it all, they walk away feeling like they could have gotten even more. You want to make the customer fight for anything you choose to give them in the negotiation. Negotiation is a give and take. Take your margins back and give the customer value.

# The Difference Between Business People and People in Business

How you view things can greatly affect the success of your dealership. Learn how to view things as a business person.

oo many times entrepreneurs and many dealers think they are business people when what they really are are people who have a business. The business still runs them and demands a lot from them. Dealers really have to get back to working on their business and not in it. Probably one of the biggest challenges dealers face is that the dealership runs them instead of them running the dealership.

## How you view your business

How do you see your business? A business person sees business as an entity, a thing. It's not emotional, it is what it is. Business people tend to view a business by its numbers. There is a number for everything that goes on at your dealership. Numbers can be tracked for technician efficiency, recovery rate, parts volume, transaction times, and closing ratio on wholegoods. Everything has a number associated with it. As a business person, once they know the number they need, they can focus on managing to reach it.

People who are in business tend to not look at the numbers, but look at things softly and just hope to do better. They don't really measure anything but go off of a gut emotion. You can't manage what you are not willing to measure. You simply can't manage for improvement without tracking hard numbers. If you are not willing to measure things, then you will be constantly in a state of chaos. You don't make money when you are in chaos.

#### How you view vendors

Business people look at vendors differently than people in business do. A lot of dealers who are people in business get frustrated and angry with their manufacturers because they "don't understand them". Dealers who are business people get it. Business people see vendors as business people too, and understand that the main goal of business is market share. Vendors care for their dealers, but they care more about market share. It doesn't mean they don't want dealers to succeed and be profitable, but the one thing that drives them is market share. Business people understand that, and don't get upset.

Business people are also not as loyal to a vendor as a person in business would be. People in business tend to be loyal to their vendors and expect them to be the same. When the manufacturer isn't loyal, and adds another dealer right down the road, the dealer who is a person in business is left disappointed.

If a business person has a vendor that is not doing what they need them to do, they are not loyal to that vendor. They will go find someone else that will do it for them.

## How you view customers

Business people also understand that different customers have different values. If a customer is not profitable for them, they are not interested in that customer. Conversely, people in business believe that all customers have the same value and should be treated equally. They never look at what money each customer brings in.

Many dealers have customers that have been coming to their dealership for years, but the dealer has never really made any money on them. They beat the dealer down on the price of their wholegoods. They always complain about the service. To people in business, they are still a customer.

A business person sees them as a customer, but a customer they don't want anymore. Business people are interested in taking top customers and moving them to the front of the line in all aspects of the dealership. Business people have customers categorized as an A, B or C customer.

An A customer is profitable, good to work with, appreciates what the dealer

does for them, and can then pretty much get anything they want within reason. Their repairs should always get moved to the front of the line when they are working with a business person.

People in business treat everyone with the "first-in, first-out" rule. They need to understand that every customer has a different value and they need to position themselves with the customers that hold the highest value.

# Listen to our "Bob's Business Tips" podcasts for more critical business management information

How to Use Customer Service Surveys greenindustrypros.com/10265895

15 Minutes to Better
Parts Organization
greenindustrypros.com/10265883

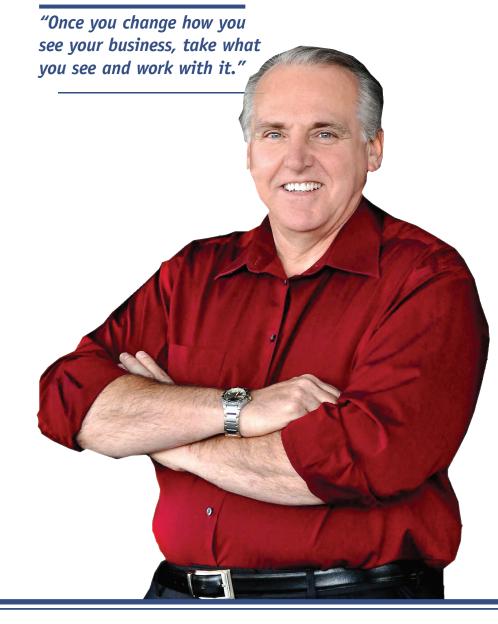
Creating Service Department Menu Pricing greenindustrypros.com/10265887

How to Ensure Your New Salesman Succeeds greenindustrypros.com/10265891

How to Truly Out-Service Your Competitors greenindustrypros.com/10265903

**Dealing with Irate Customers** qreenindustrypros.com/10265900

Visit greenindustrypros.com/ BobClements for more videos and articles featuring Bob Clements.



Every business management software available has the ability to assign customers to a class. When dealers look a customer up and it shows an A, they know to give special treatment and move them to the front of the line. This practice should be understood internally, but not communicated with the customers on lower levels.

Don't get frustrated with the fact that you are a person in business. Once you change how you see your business, take what you see and work with it. It's a mental change you have to make. Once you do, business will be so much more enjoyable. ■

#### About the Author

Bob Clements is the president of Bob Clements International, a consulting firm that specializes in the development of high-performance dealerships. His organization works hands on with dealerships throughout North America, helping them attain the personal freedom and financial wealth all entrepreneurs strive to achieve. For more information, visit www.bobclements.com.

## **Take Your Company Viral with YouTube**

By: Les Robinson, social media specialist, STIHL Inc.

We all know the power of YouTube to take videos viral, but you may not know that YouTube is also the second largest search engine. With users searching YouTube to find videos of information on brands and products, companies need to consider having a presence there. Learn how to harness the power of YouTube into your marketing strategy with these key reasons and tips.

#### **Humanize Your Business**

YouTube provides the opportunity to tell the story about your company and the products you sell in a visual way. Viewers often get a better feel for products with visual demonstrations as an alternative to just text and pictures. Put a personal face on your business by having these demonstrations given by people who know your product.

#### Tips:

- **Be wary of 'selling':** You need to earn the right to be heard. In most cases this means using the video to 'inform' rather than sell. If you 'inform' well enough, people will want to buy from you.
- **Production Value:** People are using YouTube to 'search' for facts about you, your business or the products you sell. Your mission is to be the source of that information. Define what your standards are for your business and hold true to those. You can still be effective with a self-produced video on a Flip Cam. Ultimately, the goal is accurately portraying your business without breaking your bank.
- **Video Length:** There is no one-size-fits-all answer to video length. A general rule of thumb is 3-4 minutes, but you can try different lengths and see what works best for you (a wealth of information can be found through YouTube Insight).



Good use of 'humanizing' the Ram brand through real people and real products.

• Playlists: Organize similar content on your page using YouTube Playlists. This makes it easier for users to find topics they're interested in

#### **Grow Loyalty**

'Social' platforms generally promote a 'two-way' conversation between businesses and users. By creating a YouTube page that encourages comments, you let users know you're social, approachable and will grow brand loyalty over time through continued interactions.

#### Tips:

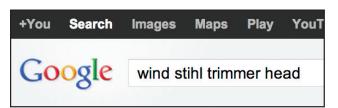
- Monitor your page frequently: Once you start posting videos, people will have feedback, comments and questions. Be there to respond to these when it's needed to create active two-way conversation. You can set up email alerts that inform you know when someone comments on your video.
- **Refresh content:** Users will subscribe to your page because they are interested in the content you post. Keep the audience engaged with new, updated content. Even if you have a large number of videos produced and ready to go, you may want to consider staggering making the videos 'Public.'
- **Users will share:** YouTube makes it easy for users to share a video they like with friends and act as a referral service. They can provide a link to your video in an email, share with their social networks, embed the video on their website, or 'favorite' it on their own page.
- **Lead the Way:** People are making their own videos about you and your products anyway, so why not lead the way? Establish yourself as a trusted information source to reach customers on and offline.

#### **SEO** Benefits

YouTube increases search engine optimization (SEO). Videos within search results are visually appealing and increase competitive advantage by grabbing users' attention.

#### Tips:

- **Optimize around search terms:** Optimize your videos around the terms that people are searching for. Do this within your title, description and 'tags.'
- **Another avenue to your business:** By having useful videos on YouTube, it provides another way for people to find your website via a link in the video's description or your user profile. An example on STIHI's page can be seen below.
- 1 Specific Google search



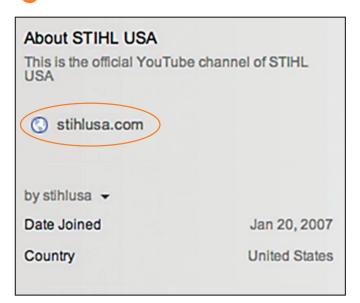
Results return a video from the STIHL USA YouTube page



Results return a video from the STIHL USA YouTube page



4 User can find a link to the website



YouTube can provide a powerful voice for your organization and the products you sell. Start small, grow gradually, but be consistent in refreshing the content and monitoring the page for interactions with users.

For YouTube support, visit: http://www.google.com/support/youtube

#### Join the STIHL Community!

- On the Go? Text JOIN to 78445. Reply HELP for help.
   Reply STOP to cancel. Message and data rates may apply.
- Find us on Facebook: Facebook.com/STIHLUSA
- Follow us on Twitter: Twitter.com/STIHLUSA
- Check us out on YouTube: YouTube.com/STIHLUSA



Les Robinson, a 6-year veteran with social media, is the social media specialist for STIHL Inc.



# 5 Things Dealers Should Know About Health Reform

Remain calm and in control with this Affordable Health Care knowledge.

ealers have so many things to worry about as it is, are things about to get even more hectic now that the Supreme Court has upheld the majority of the Affordable Care Act? With the right knowledge, it doesn't necessarily have to. Here are five things dealers need to know about health care reform:

# 1. Employer-sponsored plans must be "affordable" and provide "minimum value".

In the eyes of the law, "affordability" means that out-of-pocket premiums paid by workers cannot exceed 9.5% of their family income. "Minimum value" translates to this: the health insurance plan has to pay for a minimum of 60% of medical care covered.

This all works to prevent employees from being overwhelmed by co-pays and deductibles. The U.S. Department of Treasury has not yet released a detailed proposal clarifying whether or not the law will set requirements for what a plan must cover.

## 2. Small dealers do not have to offer health insurance.

Under the law, small businesses (under 50 employees) are under no obligation

to provide health insurance to their employees.

# 3. Large outdoor power equipment operations that do not offer health insurance coverage will likely face a penalty tax.

Contrary to popular belief, the law does not automatically fine large businesses (over 50 employees) for not providing health insurance. A large business is only penalized if/ when one of their employees receives a tax credit for buying their own private health insurance plan. If a larger dealer does not offer health insurance, chances are good that at least one full-time worker will seek out their own coverage through one of the new health insurance exchanges.

The employer penalty is equal to \$2,000 multiplied by the number of workers in the business in excess of 30 workers (with the penalty amount increasing over time).

## 4. Small dealers are eligible for tax credits.

Even though small businesses aren't obligated to offer health insurance, some still may want to. If your business employs up to 25 people, pays



average annual wages below \$50,000, and provides health insurance, you may qualify for a small business tax credit of up to 35% to offset your health insurance costs. As of 2014, the small business health insurance tax credit increases to up to 50% for qualifying businesses.

## 5. Part-time workers don't apply.

The new law considers only employees who work over 30 hours a week to be full-time. Your company is not required to extend health insurance coverage to part-time employees.

Provided by Sean O'Connor, consumer health insurance expert with GoHealthInsurance.com. GoHealth is an online marketplace where consumers can compare health insurance plans and companies.

Visit healthcare.gov/law for more information and updates.

Wellness Programs

Lead to Savings

Instituting a wellness program can reduce healthcare costs while increasing employee output.

s busy as most dealers are, starting up a company wellness program may not seem like a priority. However, it should strongly be considered. Instituting a simple wellness program can save money with lower healthcare costs and make employees happier and healthier.

### Wellness program benefits

Your investment in the health and wellness of your employees could not only improve healthcare costs, but also customer service. Healthier employees have proven to have a higher output. Individuals who benefit from an employer's investment in them and their health have also shown more loyalty. This saves company additional dollars thanks to reduced turnover costs.

More and more companies are instituting wellness programs as they learn of their seemingly endless benefits. According to a recent study by insurer Highmark Inc., healthcare costs rose at a 15% slower rate among employers who consistently offered a wellness program to employees.

There are many statistics available that suggest a wellness program can help your company greatly. A study cited by wellnessproposals.com showed that implementing a wellness program lowered sick leave by 28%, lowered the use of healthcare benefits by 26%, and lowered employee's compensation claims by 30%.

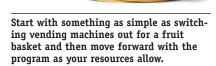
## Program implementation

While you can't force employees to change their behaviors and become healthier individuals overnight, you can influence and encourage them with programs and incentives. A workplace wellness program doesn't require an all-or-nothing approach. You can start with something as simple as switching vending machines out for a fruit basket and then move forward with additional aspects to the program as your resources allow.

Your investment in the health and wellness of your employees could not only improve healthcare costs, but also customer service. Healthier employees have proven to have a higher output.

There are four main areas that should receive the most focus: tobacco use, diet, exercise and stress management. Do not limit yourself to these areas, but be sure you touch on each of them in some way.

Some examples of wellness programs include: on-site health screenings, flu shots, on-site exercise equipment,



exercise classes, gym membership discounts, healthier food options in the vending machines, paying for smoking-cessation programs, and anything else you can think up to help employees live healthy lives.

You can also get creative with your wellness programs and start friendly competitions. Employees, who track steps with a pedometer or miles walked, can compare their stats. Small awards to the highest numbers can encourage them further. In addition to getting more exercise, camaraderie could also see an improvement.

Your insurance company may offer some guidance on how to implement a wellness program safely and effectively. The internet also offers many resources to employers. However you approach it, motivate employees to make a positive change in their habits and your business will see multiple benefits.

# Developing a Disaster Preparedness Program

Organize, develop and administer a preparedness program that protects your business from natural disaster.

he preparedness program is built on a foundation of management leadership, commitment and financial support. A preparedness program is essential to improving your dealership's chance at surviving a natural disaster.

#### **Planning**

In developing your plan, potential hazards should be identified, vulnerabilities assessed, and potential impacts analyzed. The risk assessment identifies threats or hazards and opportunities for hazard prevention, deterrence, and risk mitigation. It should also identify scenarios to consider for emergency planning.

A business impact analysis (BIA) identifies time sensitive or critical processes and the financial and operational impacts resulting from disruption of those business processes. The BIA also gathers information about resource requirements to support the time sensitive or critical business processes. This information is useful in making informed decisions regarding investments to offset risks and avoid business disruptions.

#### **Implementation**

Implementation of a preparedness program includes identifying and assessing resources, writing plans, developing a system to manage incidents and training employees so they can execute plans. Write a preparedness plan addressing:

- Resource management
- Emergency response
- Crisis communications
- Business continuity
- Information technology
- Employee assistance
- Incident management
- Training

#### **Testing and Exercises**

You should conduct testing and exercises to evaluate the effectiveness of your preparedness program, make sure employees know what to do, and find any missing parts. You may find that there are parts of your preparedness program that will not work in practice.

Testing is necessary to determine whether or not the various parts of the preparedness program will work. Exercising the program helps to improve the overall strength of the prepared-

ness program and the ability of team members to perform their roles and to carry out their responsibilities. There are several different types of exercises that can help you to evaluate your program and its capability to protect your employees, facilities, business operations and the environment.

#### **Program Improvement**

There are opportunities for program improvement following an actual incident. A critique should be conducted to assess the response to the incident. Lessons learned from incidents that occur within the community, within the industry or nationally can identify needs for preparedness program changes. Best practices and instructional guidance published by trade associations, professional societies, newsletters and government websites can be resources to evaluate and improve your preparedness program.

Gaps and deficiencies identified during reviews should be recorded and addressed through a corrective action program. Reviews, evaluations and improvements should be documented and maintained on file.

Your preparedness program should see frequent evaluation over time. As your business changes and evolves, so should your plan. Having a preparedness program in place can help protect your business in a hectic time when your staff looks for leadership and customers look for comfort in consistency.

Source: ready.gov/business

#### Why you need a disaster preparedness plan:

- Up to 40% of businesses impacted by natural or human-caused disaster never reopen. (Source: Insurance Information Institute)
- A delay in service repairs and closing can lead to the loss of customers
- Insurance is just a small part of a larger plan
- Natural disasters often overwhelm public resources

## Six Ways to Motivate Top Talent

Motivate your top talent to achieve your company's goals despite economic limitations.

o retain your top talent it is absolutely critical to ensure they are motivated. Unfortunately, this is often not high on the priority list of busy managers. Add to that the pressure of the economy, and it is even harder to motivate. Most people are working long hours and doing the job of two people, stress is at an all time high, fear of layoffs is a reality, salaries are frozen, pay cuts have been implemented and bonuses aren't likely.

So how do you motivate your top talent to achieve the company's goals with these limitations? The answer is "culture". The following are six areas of your company culture to focus on:

#### 1. Goals

Even in difficult times there must be clearly-defined goals for the company. Goals must have quantifiable objectives that motivate talent, so when reached, they feel a sense of accomplishment. Providing specific timebased goals with achievable results clarifies exactly what is expected of staff. Your best talent will embrace the goals and strive to reach them. Employee engagement is critical to retaining your best people.

#### 2. Defined culture

Do you know your company's culture? Can you define it? Will your staff define it the same way? If not, this is the time to begin working on it.

Once the culture is well-defined, do the behaviors match the culture?

Do managers from the CEO on down demonstrate this culture day-to-day in how they deal with the employees, customers and vendors? You can't claim to have a culture of teamwork if the manager's idea of teamwork is my way or the highway.

#### 3. Respect

This is probably the least expensive and least used method to motivate and retain top talent. Small things can make a big difference. Respecting employee contributions, listening to them, including them in the decision making process, asking for their thoughts and ideas all make them feel respected and appreciated. Top talent does not want to be taken for granted.

#### 4. Feedback

This includes regular and structured one-on-one feedback sessions. Not showroom floor conversations, but actually sitting down and focusing on them. Give them feedback, encourage them, listen to what their needs are and take an interest in their career. This makes them feel cared about as an individual, not just an employee.

#### 5. Praise

You may have experienced a manager with this philosophy: "That is what they get paid for. Why should I thank them? They should thank me for having a job". Compare that to a manager with this philosophy: "Thanks, I know it is just part of your job, but I appreciate the pride you take in your work".

A little praise goes a long way. In difficult times people are often doing more than expected. Yes, maybe they should be glad to have a job, but demonstrating appreciation will be returned when the economy turns.

#### 6. Growth

Top talent insists on getting better. They know once their learning curve flattens out, future opportunities can become limited. Give your best people the opportunity to take some additional classes, lead a project outside their normal job, and challenge them with new opportunities. These things not only ensure your top talent is growing, but also makes them a more valuable employee.

Consider these six areas as a way to motivate your top talent. Your best people will appreciate this more than most managers realize. The increase in productivity by having motivated employees is the best ROI any company can receive.

#### About the Author

Brad Remillard is a speaker, author and trainer with more than thirty years of experience in hiring and recruiting. He is also the co-founder of Impact Hiring Solutions and co-author of, "You're NOT the Person I Hired: A CEO's Guide to Hiring Top Talent." For more information, visit bradremillard.com.

# Top 10 Tips for Running a Great Meeting

Conduct meetings that boost your credibility as a leader and help your business achieve its goals.



ew people receive formal training on how to conduct a great meeting. This lack of training is often apparent. Between meetings that ramble on with no agenda and no action steps, to participants feeling bored and questioning why the meeting is even taking place, it's no wonder that so many people dread going to meetings.

In order to conduct a meeting that boosts your credibility as a leader and helps you and your staff achieve goals, keep these top 10 meeting tips in mind.

# 1 Know if you really need a formal meeting at all

Before planning to have a meeting, define why you're having the meeting. Is it really necessary? Is there another way to accomplish the result? If you have a small department or group of attendees, perhaps a "stand up" meeting will suffice. In this case, you simply get everyone to gather casually, say what they need to know, and then everyone disbands within five minutes. It's quick, painless and highly effective.

# 2 Set expectations prior to the meeting

If a meeting is indeed necessary, create an agenda and send it out prior to the meeting so people are clear on what's going to be covered. If multiple topics are on the agenda, include a time allotment for each item. Also list a meeting adjournment time and stick with it. The more detailed you are, the more professional you look and the more seriously staff will take the meeting.

## **3** Facilitate well during the meeting

The facilitator's job is to keep the meeting running smoothly, to make sure everyone gets a say, and to lead people through areas of conflict. Realize that no meeting "runs itself". You need to lead people through each segment of the agenda and together find a resolution to each area of discussion.

## Beware of Parkinson's Law

As you facilitate, keep Parkinson's Law in mind: "Work expands so as to fill the time available for its completion". The same is true for meetings. If you've set an hour for the meeting, chances are the meeting will drag on to fill that time slot. To keep this from happening, announce at the onset, "If we get through this agenda before the adjournment time, we all get to leave early". Make that the goal, not the posted adjournment time.

Allow conflict

If the goal of your meeting is to solve a problem, then conflict is inevitable. Welcome it. A good facilitator will recognize when emotions get too high and will step in to keep the meeting on track. But don't strive to avoid conflict. Nothing gets solved without first having a conflict of ideas.

Assign action steps
In a perfect world, people would self-manage. We don't live in a perfect world. That's why the meeting leader needs to wrap up the meeting by summarizing the key points and then assigning the action steps.

Decide who is going to do what and by when. Also determine how everyone will follow up on the action steps. Who is holding people accountable for doing what needs to get done? The more follow up and

# The more detailed you are, the more professional you look and the more seriously staff will take the meeting.

accountability you have, the more likely you are to accomplish the stated goals.

# **7** Delegate the meeting responsibility

Just because you're a department or company leader doesn't mean you have to lead every meeting. Delegate some meetings to others so they can gain experience in this critical skill. If you don't feel comfortable delegating the entire meeting, delegate a part of the meeting that's focused on a specific topic or area of the business.

## **8** Know when to lead and when to participate

When you do delegate a meeting, or when you're attending someone else's meeting, resist the urge to take over the meeting. Of course you can be an active participant and state your opinions, but let the other person do their job and have the spotlight as the leader. They may not run the meeting exactly like you would, but it's their meeting. Let their leadership style shine through.

## 9 Always let people out early

Remember when you were a kid and the teacher let you out of class a minute or two early? Chances are you liked that teacher and didn't mind going back to his or her class. Adults are the same way. The minute you start going over the stated adjournment time, people disengage and tune out. Instead, let them out a few minutes early. If you've followed all the other

points mentioned thus far, an early adjournment should be possible.

If your meeting topic still has loose ends, address those key items with the needed parties privately. Keeping everyone in the meeting to address final points that don't pertain to the group as a whole leaves people frustrated and bored—not the kind of last impression you want.

Have fun!
Meetings have a reputation for being boring and uninspiring, so give people a chance to leave with something other than the agenda. For example, if the meeting takes place around a holiday, put out some holiday candies or small decorations that people can take. Do what you can to make a dull meeting memorable and fun.

#### Make Your Meetings Work

Meetings don't have to be something people dread. When you implement these 10 tips for your future meetings, you'll gain a reputation for being an effective meeting facilitator. And rather than being viewed as time wasters, your meetings will actually get things done. ■

#### About the Author

Jean Kelley, author and entrepreneur, is the managing director of Jean Kelley Leadership Alliance whose faculty and trainers have helped more than 750,000 leaders in the U.S. and Canada. For more information, email jkelley@jean-kelley.com or visit jeankelley.com.

# Turn Ideas Into Reality in 4 Steps

When you take the time to implement this four-step process, you will make better decisions and achieve greater results.

ost organizations know that in order to grow and be an industry leader, they have to continually innovate and undertake key projects that lead to growth. Unfortunately, many companies do so in a haphazard or non-strategic way.

Here's what typically happens: Leaders keep saying yes as various projects and ideas are presented to them for investment. They say yes until they run out of resources. The projects and ideas first on the list get funded in contrast to the best of all ideas across the organization. The sad truth is the early bird *does* get the worm. As a result, they waste money and resources, lose momentum, and then wonder why they never achieve their strategic goals.

It doesn't have to be that way. There is a proven approach that enables leaders and decision makers to make a greater contribution to the business, activate the strategic plan, achieve the desired balance, and optimize allocation of limited resources. Here are the four things you need to get right in order to make better decisions so you can maximize your dealership's growth.

#### 1. Define your strategy

Before your dealership can undertake any new initiative you first have to identify your strategy. In other words, who are you and what do you want to do? Unless you know this information, it's difficult if not impossible to move forward in a productive way.

While most companies have a general idea of their strategy based on their vision or mission statement, often it's not focused enough to translate into specific strategic goals. For example,

specific strategy for growth. For instance, you may want to just offer this service to commercial customers who maintain their own equipment fleets in-house. That way, you would sell more parts in fewer stops.

#### 2. Generate ideas

Armed with your strategy, you can now generate ideas that support the strategy. Some people call this step innovation or creative brainstorming. Whatever you call it, the goal is

Before your dealership can undertake any new initiative you first have to identify your strategy. In other words, who are you and what do you want to do?

you as a dealer, offer power equipment parts for sale in your dealership. How do you grow? You could offer mobile parts sales to all customers. That will quickly drain your resources.

A better approach is to define a

to come up with possible options for advancing the strategy.

If your strategy is to offer mobile parts service to contractor customers, generate ideas to fit this goal/strategy. Generate ideas for what parts to



iStockphoto/Thinkstock

deliver, how to deliver the parts (vehicle and route), to which customers, and who would do the delivering.

## 3. Prioritize and select the best ideas

The next step is to select the ideas for each of those areas that are best for the company to pursue and will advance the strategy. As you do the prioritization and selection process, you need to ask two key questions.

The first question is: "Will this deliver our strategic goal?" If the answer is no, then you have to do something different. Either you alter your strategic expectation or your ideas. Keep going through these iterations until you can say: "Yes, our portfolio has the potential to deliver our strategy". Remember, at this point you're simply assessing whether the portfolio will meet your strategic goals. You're not assessing whether it's something you actually could do.

Once you agree that the portfolio of ideas and projects will help you meet your strategic goal, the second guestion to ask is, "Do we have the resources (time, money, people, equipment, etc.) to do this?" If the answer is yes, then celebrate and move on to step four. If the answer is no, then you need to circle back and solve the equation. Can you lower your strategic goals? Can you generate bigger, better ideas? Can you add resources? Change the timing? Scale back the idea? Once you have a portfolio that allows you to say yes to both questions, you've completed the prioritization and selection process.

#### 4. Execute ideas

Finally, it's time to take action and actually execute your ideas. This is where project management comes into play. As you execute each step to support the strategy, outline the detailed activities needed to complete the project on time and on budget. Assign

key people to be responsible for each role, and establish checkpoints so you know if the project goes off track.

The more thoroughly you manage the execution, the more success you will have. No matter what industry you're in, long-term business growth depends on these four things: strategy, idea generation, project selection and execution. When you take the time to implement this process in your company, not only will you make better strategy decisions, but you'll also achieve the breakthrough results that achieve your ultimate goal.

#### ABOUT THE AUTHOR

Michael Menard is the author of "A Fish in Your Ear: The New Discipline of Project Portfolio Management," and cofounder and president of The GenSight Group, which provides enterprise portfolio management solutions for strategic planning, project portfolio management and business performance optimization. To learn more, visit afishinyourear.com.

# Are You the Professional Dealer of Today?

Protect your professional image by avoiding these mistakes unprofessional dealers often make.

Professionalism is about your image, appearance and attitude. It is your attitude toward customers and your industry, and your knowledge of products and brands.

The perception that dealerships are dingy and intimidating is long gone. Dealers have worked hard to provide a shopping experience that matches the cleanliness of a big box but with the knowledge of an outdoor power equipment professional retailer.

Customers know if they are visiting a professional dealership the moment they walk in the door. Keeping your facility clean, and staff friendly and presentable, add to your level of professionalism.

Are you a dealer who is helping to build the image of professionalism in this industry? If you aren't sure, here are a few things you should avoid doing in order to build your professional image.

What isn't professional behavior? The following things can earn you a bad reputation among other dealers and your customers.

Putting down the competition – Whether it is another independent dealer or a big box retailer, you should never put down your competition. Instead of focusing on the negatives about your competition, focus on your own positives.

**Lowballing in the shop** – To show customers your high level of professionalism, give them the most accurate estimate you can on repairs in

the shop. Coming back to the customer who trusted you with their repairs with a bill much higher than what was estimated is unprofessional and earns your shop a poor reputation.

Being uninformed on products and their features – If a customer comes into the dealership with equipment questions, you better be ready to answer. You should be an expert on all of the products you sell. Additionally, Don't focus just on price when selling to customers. A professional dealer will train customers to look for more than price in a product.

Taking the easy sale before qualifying a customer – It is better to tell the customers what they really need in a product rather than to go for an easy sale. You don't want the customer to overspend and not trust you for future purchases.

Customers know if they are visiting a professional dealership the moment they walk in the door.

Keeping your facility clean, and staff friendly and presentable, add to your level of professionalism.

your technicians should be welltrained and up-to-date on all technician training made available.

#### A disorganized and dirty showroom

 A clean and orderly showroom puts the customer at ease in your dealership. It also shows your business is organized and attention is paid to the details of retail.

**Poorly trained personnel** – Your staff is the face of your business. They should be trained well in customer service and knowledgeable on the products. Make sure they maintain a clean and professional appearance as well.

**Selling products solely on their price** – Part of the reason customers choose an independent dealer over the big box is their extensive knowledge.

Operating behind the times – If you are stuck in the old ways of doing business, your customers will perceive your products as being out of date as well. Embrace today's technology and use it in the dealership's daily operations and marketing. Signature capture pads at the point of sale and social media marketing should be implemented. At the very least, you need to have a website. If today's consumer can't find you through a simple Google search, it is far less likely they will travel to your dealership.

As the market changes, so should you. Maintain your professional image by avoiding mistakes in these areas of your business and evolving as a retailer.

## Dealer Education Brings Profitability

Dealers focus on improving profitability with the help of education and today's business management tools.

n our first issue of the *Dealer Success Guide*, industry consultant Jim Yount shared how dealers can get past survival to focus on growth. Over a decade later he shares how the way dealers manage their business has changed. As many dealers in recent years have worked to survive the recession, those who remain are continuing to focus on improving their profitability.

## Pricing and sustainability

Pricing and survival continues to be a great challenge for dealers. Market competition and manufacturer eagerness continue to drive down pricing and pressure dealers to give up margin.

"Profitability beyond the survival mode is the greatest challenge for most independent small business owners, including outdoor power equipment retailers," says Jim Yount of consulting firm Jim Yount Success Dynamics. "The American retailer, large and small, is the target for manufacturers around the world. In their rush for a slice of the American pie they have created consumer demand for the lowest price possible."

Dealers are constantly confronted by customers questioning price, and are forced to consider losing the sale or losing their margin. Yount says dealers looking for cash flow who forfeit profit hurt their business' sustainability.

#### **Dealer education**

Yount urges dealers turn to financial education to help secure their place in the industry amidst these challenges. Dealers should seek education beyond that provided by manufacturers and distributors. While manufacturer education has evolved and helps dealers through programs focused on sales and marketing, dealers need to seek more financial-focused education.

"It was in the early 1990's that I first heard the president of one of the largest distributorships in North America say to me 'Jim, you've got to begin addressing the financial side of business for our dealers'," shares Yount. "I knew he was right. Prior to this statement I had not known anyone who addressed the subject of profitability at the dealer level."

#### **Tools for profitability**

Dealers and all independent small business owners need to focus more on profitability and the "business side" of management. Financial education and business management tools help dealers focus more on their profitability and growth.

"In my opinion, the best tool assisting industry dealers has been computer software specifically developed for outdoor power equipment retailers," says Yount. "It was the beginning of a much-needed decision on how to track dealer profitability. This was the turning point for dealers, and a door

opened for business management companies teaching on the subject of managing a business for profit and growth."

With the help of a business management system and training, dealers are able to hone their skills as businessmen. Yount warns that while dealers may have a talent for business, earning money with a business is a learned skill. Dealers shouldn't be afraid to get outside help to further ensure their profitability and success.

"I believe a lot of dealers have survived this recession because they sought outside help," says Yount.
"Dealers began learning how to fight for every dollar of profit. Growing a business should not be at the expense of sustaining profitability. However, businesses must enjoy long term growth. Without the combined strength of profit and growth, a company will not survive for the next generation."

#### **Take-Home Points**

- Choose sustainability over a quick sale at the cost of margins.
- Seek education beyond that provided by manufacturers and distributors.
- Invest in computer software specifically developed for outdoor power equipment retailers.

# Your Future Depends on Partnerships



# Successful partnerships with your customers and suppliers are built on communication and are the livelihood of your business.

Securing your future as an outdoor power equipment dealer is about finding out what your suppliers can do for you and what you can do for your customers. Take a step back and evaluate how your partners and customers performed throughout the recession. What support did your suppliers extend to you, and when and how did your customers turn to you for help?

Seeing how your suppliers and customers act in tough times can help you to sustain as a business. Choosing the right partners and how to go to market is imperative to your success as dealer.

#### **Manufacturers**

Consider the performances of your manufacturing partners over the last decade. When recession hit, did they thrive and help you to do the same? When times were tough for you, did they extend their support and help you through it or were they too focused on their own survival to account for yours? Do your manufacturers continue to offer the products and service you need to survive?

Dealers are a loyal bunch. You have to get passed the idea of working with the same manufacturers because you have partnered with them for years. What you viewed as a mutually beneficial partnership with your supplier may not have been as beneficial to your dealership as you thought. In order to be number one, you need to look out for number one—and that's you.

#### **Customers**

Throughout the recession and in the wake, consumers looked to their dealers for help in maintaining their equipment past its prime. Helping customers to drag out the life of their equipment may not have helped your wholegoods sales, but showing customers you had their best interests in mind financially, gains their support for the future.

When customers are then ready make a purchase, they will likely choose you over the big box store that can't help them in the same ways you have throughout the life of their equipment. When choosing to make a purchase with you, the customer wants to be assured they are getting the best value for their money and a product that will last. Show your customers how you can help them to get the most life out of their machine and you will enjoy a long relationship with them.

#### **Communication**

Maintain an open line of communication with manufacturing partners and customers. You want to hear what about you partnership is working for them as well as inform them of areas where you see room for improvement.

Get beyond basic customer surveys where you ask customers to rate services from 1-10. In order to get real information that helps you to better your product and service offering, get in the habit of having real conversations with customers. These can be conversations you have directly with customers, or conversations held by salespeople who report back to you. Follow up with customers routinely after they have made a purchase or received service to see how you can improve.

Have regular conversations with your suppliers as well. Discuss what you need from them and how they plan to provide what you need. You should also be having conversations with other potential suppliers about how they care for their dealers. Be sure they know that if you are sold on their product, it doesn't necessarily mean you are sold on them as a supplier.

Open communication leads to a better understanding of your manufacturing partners and customers. Knowing how the two operate can help you greatly in securing your future as an outdoor power equipment dealer.



Yard & Garden wants to know what you're doing to help raise the standard of how a successful, professional dealership should be run in the 21st century.

Let the industry know what you're doing in the way of:

- ➤ Giving back to your communities
- ➤ Growing sales and profits
- ➤ Creating jobs
- ➤ Innovative marketing and merchandising
- ➤ Using technology

- ➤ Growing your parts business
- ➤ Growing your service business
- ➤ Selling unique products
- ➤ Creating loyal customers for life

To share your story in an upcoming volume of **Dealer Success Guide** 

SMAIL Lisa.Danes@greenindustrypros.com

## Walk-ins Welcome

## Keep your shop workflow under control with carefully outlined and communicated repair policies.

hether or not you are willing to take on just any equipment repair that comes in off the street often depends on where you are in your career as a dealer. In order to keep your shop under control and customers happy, your walk-in policy should be carefully considered and communicated.

## Where you are decides what you do

If you are just starting out in the outdoor power equipment business, it is likely you will do any repair that comes your way. This is what helps you build your customer base and make a name for yourself.

As time goes on, and you build your business and are selling more of your own equipment, you may have to restrict what repairs you can handle. You will likely want to offer priority service to customers who bought their equipment from you. If your shop is busy enough, this may mean turning away repairs on equipment bought elsewhere.

If you are turning the corner toward retirement and downsizing your business, you may reduce the amount of products you sell and pick back up the repairs you had previously denied. Your focus might shift toward high-margin parts sales and the ever-reliable repair market.

#### **Different approaches**

At Topp Small Engine in Tecumseh, OH, Ron Topp rarely turns away an opportunity to service a piece of equipment. He does, however, take care of his loyal customers first. "If you buy from me, you go to the front of the line for service," says Topp. "I don't know if that hurts or helps us with the other customers. It doesn't bother me to explain to them that if a third-generation loyal customer comes in, we are going to take care of them first."

Topp says some of his customers understand while others do not. In business since 1968, he says while he hates to turn them away, he is still doing well in business.

John Estocak of Johnny's Mower Sales and Service in Uniontown, PA, also gives his equipment-purchasing customers priority. However, in the winter months his doors are only open for regular customers.

# Whatever your repair policy is, communicating your policy to employees and customers is paramount.

"Regular customers do usually get priority," says Estokat. "We close in the winter months because the overhead doesn't justify staying open. We don't get a lot of snow business. Regular customers will come for service and we come in a few hours a day to work. We are not open to business off the street in winter months."

Another dealer interviewed said he refuses to do any repairs that come from the big box retailer. After trying initially to coexist with the big box and service their machines, the dealer realized it wasn't proving profitable.

## Repair policy communication

Whatever your repair policy is, communicating your policy to employees and customers is paramount. Explaining your service policy right way can gain you a new customer or a new enemy.

When customers come in for repairs on equipment bought elsewhere, quickly inform them they won't be first on the "to do" list. Explain why your policy is the way it is, and that had they bought equipment from you they would receive that same priority treatment. While this honest explanation sometimes angers customers, it can also help convert one of the big box shoppers into a dealer-loyal customer.

"I have customers that decide to purchase from us after being explained the situation," shares one dealer. "We are very proud of the way we take care of our customers. I would say I get just as many sales that way as I would trying to work on everything the mass merchants send our way."

Be sure to train employees on how to communicate this information to customers in a way that is respectful and highlights the positive benefits of purchasing equipment from you. Have your repair policy posted at the service desk for customers to see so employees can turn to it if there is any dispute. You may also want to include this information on your website.

Whatever your policy, stick to it and be straightforward with your customers. Standing with your policy will further strengthen the policy and your relationships with customers.



## "Six locations. Double-digit growth."

Brothers Coleman and Barden Winstead stared down the recession and the recession blinked. Conventional wisdom might have suggested that the brothers focus on their existing business when adjacent store openings presented themselves. Instead, like their father Charles, they seized opportunities by expanding their business and opened two new locations. "The upside of expansion far outweighed any risk," said Barden.

With a great team, sales grew another 10% in 2012 after growing 28% in 2011. Mix STIHL support, some bold business timing, a commitment to customer service and what do you get? A recipe for success in any economy, and a Winstead family we're proud to call real people, STIHL people.

To become a dealer visit stihlusa.com/dealer





### "We went exclusively with STIHL and then grew 35%."

Like most small business owners, Lynne and Gary Brewer work hard and constantly stay on top of their operation to succeed. Little did they know that their decision to go "STIHL exclusive" with their handheld OPE in 2007 would make that job so much easier. "Our sales have grown every year, with 35% growth last year alone," says Lynne. Not bad at all in this economic climate. The Brewers also credit STIHL

support and distributor programs for their success. Perryville Outdoor Products has always been known for exceptional customer service, and that keeps folks coming back. Dependable STIHL products and great service – that's a profitable combination in any market. Just ask the Brewers – real people, STIHL people.

To become a dealer visit stihlusa.com/dealer

