

STOP GRASPING AT STRAWS

There is no magic elixir for curing the aches and pains of slow sales and F&I production, but training and support is a reliably effective treatment.

► **By Ron Reahard**

When you're an automobile dealer, every day brings a new challenge, a new problem to solve, another obstacle to overcome. It's a never-ending struggle to stay one step ahead of the competition, outrun those who have more resources, and outmaneuver those who believe they have a duty to tell you how to run your business.

The manufacturers tell you exactly what your dealership has to look like, when you have to remodel, and even the color of the tile on your floors. They require you to buy vehicles nobody wants in order to get a few you can actually sell. They dictate how much you have to spend on advertising.

Every month, you have to run faster and farther on a treadmill the manufacturer forced you to buy (and charged to your parts statement), endlessly chasing their incentive money in order to hopefully make a profit. And all it takes is one dissatisfied customer to cost you tens of thousands of dollars. It's no wonder even very profitable dealers start grasping at straws in an attempt to gain some measure of control over your business.

Just Drink This

In the late 1800s and early 1900s, anyone with the ability to mix up a batch of colored liquid could claim to be a doctor with a miracle cure for jaundice, tapeworms and heart palpitations. There were no regulations. Phony doctors could say their elixirs cured anything and everything.

Their "medicines" were made from useless ingredients like mineral oil and herbs and often harmful ingredients like opium, heroin or alcohol. But mostly they were made up of outrageous lies. Traveling medicine shows attracted huge crowds, and smooth-talking hucksters suckered countless people out of their money.

Enter today's version of the snake oil salesman with his magic elixir guaranteed to cure a variety of automobile dealer ills, from slow sales to constipation, weak profits to weak blood, low customer satisfaction to low testosterone.

Yes, it's Doc Meriwether and the Yellow Kid with his traveling medicine show, here to save you and your dealership from depression and bankruptcy with magic software that provides information you didn't know you needed. They have an electronic desk tool that will enable you to close more deals in less time,

overpriced F&I menus the size of a home theater, and — wait for it — manage your inventory!

But this is technology. It's totally different! These aren't carpetbaggers and scalawags selling out of a tent (unless they're peddling tent sales). These are legitimate companies that have been in business for years. They have five-star ratings on Google. They have testimonials from actual customers who brag about how much more money they made with their menu software, their hybrid process and no-haggle pricing.

For their dealers, sales are up, profits are way up, chargebacks are down, and customer satisfaction has never been higher. If you don't believe it, call their references. In earlier times, references were the Yellow Kid, a plant in the crowd, who stood up and gave his personal story of being cured by their product, their process, or their "technology." So, like those desperate people of yesterday who wanted to believe, dealers today sign up, pay their money, and wait for the sales and profits to roll in.

Except they don't.

Back to Basics

It's easy to get caught up in the technology, software and consulting trap. We're all excited by a shiny new gadget. We're amazed by insightful analytics and the pretty

pie charts available with today's software. We want the latest and greatest. It gives us a feeling of power and control over our destiny, just like the television remote. Who wouldn't want to grow their business and make more money with a few clicks of their mouse?

Unfortunately, too many dealers invest thousands of dollars in the latest technology, only to continue to do business the same old way, expecting different results. Technology is neither the problem nor the solution. It is merely a tool. It can be either a terrific tool or the perfect excuse, but technology can only facilitate a solution. It doesn't fix the underlying problem.

You don't need more bells and whistles on your showroom floor, in your F&I office or on your website to be successful. Whether the customer is online or on their showroom floor, you need to make shopping at your dealership an exciting, fun, informative and enjoyable experience so that people want to buy from them, not the competition.

That requires skilled professionals with product knowledge who are trained to help customers, answer their questions and concerns, and add genuine value to their purchase experience. Sales and F&I professionals aren't born that way. They're not discovered by a talent agent who overhears them selling in a bar. They're trained; carefully, constantly, and repeatedly trained, day after day, month after month, year after year.

The reality is, you can't learn to ride a bike by watching a YouTube video, and you can't sell products by handing people an iPad and expecting them to watch infomercials. The belief that technology is the solution to selling more cars and making more money is no less naïve than believing that technology and the internet is the reason it's becoming harder for us to sell products and make a profit.

Certainly, the internet and the information age have changed the car business forever. We have a more informed, continuously connected consumer, with heightened expectations about their personal car-buying experience. Unfortunately, far too many dealers are still using their same old playbook from 20 years

ago. Rather than focusing on upgrading your processes, training and technology to help the customer buy cars and F&I products the way they want to buy, the entire focus is using these tools to help them maintain control.

Human beings have always sought out and embraced the latest technology to make their lives easier, whether it was some stone-age tools to kill tonight's meal or the aqueducts that brought water into Rome. The difference today is that technology has increasingly become the supreme ruler of our lives and our businesses. From the clerk who can't make change unless the cash register tells him the amount, to a dealer who can't sell a car if the internet goes down, technology rules.

The Illusion of Control

Technology is all about control, and the more we worship at the altar of technology, the more we crave control. Our society and dealerships are increasingly run and dominated by amazingly complex programs, software and technologies that most of us can neither understand nor control. Any technology that controls us more than we control it makes us feel even more powerless. The more powerless we feel, the more we crave power.

It is true that knowledge is power. But knowledge is not the storage of information. Knowledge is not retaining a bunch of facts, pointing out information on a computer screen or reading from a brochure. Knowledge is information and data that has been acquired, analyzed, processed, sorted and packaged into a creditable and personal presentation by one human being, and then delivered to another human being.

This specially trained individual, or knowledge coordinator, matches their knowledge of their product or service with someone else's needs, to help that person make an informed decision about how that product will benefit them specifically. It's what a professional salesperson and F&I professional does every day.

Henry David Thoreau was an American essayist, practical philosopher, and critic of those who worshiped the limited technology of his day. He lamented, "Men have become the tools of their tools," resulting in what he described as "improved means to unimproved ends." Unfortunately, many dealers today are working with vastly improved (and very expensive!) means and seeing unimproved results.

Rather than grasping for straws or seeking the latest magic elixir, the best sales tool available is still the men and women in your showroom, BDC, internet department and F&I office. Continuing to invest in them will produce far greater results and happier customers than the latest and greatest technology.

I've never once heard a customer say they would never buy from a particular dealership because they didn't have the latest technology. Technology is not the answer. Your people are. Invest in them. **ad**



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