

# WARD'S Dealer Business®

The Management Magazine for Auto Dealership Professionals

FEBRUARY 2001

VEHICLE SALES &amp; MARKETING

## PLAN STRATEGIES TO MAKE MORE MONEY

### How to be an effective dealership manager

By Jeff Mowatt

**L**et's be frank — if you work for a dealership, then your primary goal is to make money. Period. You may have secondary goals to serve the interests of your customers, employees, and be a good corporate citizen, but your number one priority is strictly return on investment. Profit.

When I speak at conventions and meetings on how to boost profits through customer retention, I often find that business owners and managers don't have their priorities straight. The result is they lose customer loyalty, face increasing operating costs, scramble to replace staff turnover, and struggle just to keep up to the competition. They may work hard and think positively, but their impact is marginal.

On the other hand, by simply realigning their priorities, managers can lead their company or department in a way that builds customer and staff loyalty, reduces operating costs, makes more money, and serves as a model corporate citizen. You won't have to work any harder; just smarter. To find out how, answer the following questions according to your current practices. Then read the accompanying suggestion for the best way to optimize your time and effectiveness.

#### What is normally your first task of the day?

- a) returning phone calls
- b) administrative paperwork
- c) work on strategic projects
- d) dealing with customers
- e) responding to employee requests

Your first priority of the day should be c) working on strategic projects designed to prevent problems and increase profits. Typically however, managers put off strategic work to do other work that has a deadline. They confuse urgency with importance.

#### It's easy to put off strategic work

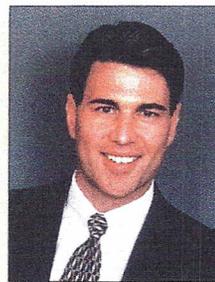
It's always easy to put off work that's strategic in nature because the deadline is usually non-existent or not urgent, and strategic work requires something many of us prefer to avoid — thinking. The problem is that if you continually put off projects designed to increase profits or reduce problems, then you end up having more crises to deal with. So you get caught in the vicious cycle of crisis management.

A lot of managers and business owners secretly love putting out fires because it makes them feel like heroes. In fact, they live in a fools paradise: treating symptoms every day rather than curing the disease.

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Doing strategic project work for the first 1 to 1-1/2 hours of your day puts you in a proactive mindset. Even though crises may spring up during the day, at least you have the comfort of knowing you're doing something to prevent these problems from recurring. In other words, doing strategic project work gives you a sense of control and a feeling that there is a light at the end of the tunnel.

When I speak at seminars about the hour and a half of uninterrupted strategic project work, I often hear a chorus of protests from the audience. People talk about the emergencies that



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require their attention.

The truth is, unless you work in emergency services, there is almost no problem or crisis or customer request that can't be handled by someone else in the organization, or which can't wait 90 minutes for your personal attention. Realistically, you'll accomplish more in that hour and a half of strategic project work than the other 7 hours of crisis management combined.

#### Of your major project work, which do you typically work on first?

- a) the one with the most pressing deadline
- b) the one that's the easiest to do quickly
- c) the one that will generate the most profits over the long term

Obviously, you should work on c), the project that will generate the most profits over the long term. That's what you're in business for. Ironically, most managers don't do it. They react to deadlines, submitting to the tyranny of the urgent. It's fine to work on projects with urgent deadlines, but at least spend the first hour on the long-term profit project, then work on the other projects with the urgent deadlines.

#### Administrative activities are some of the most important tasks as a manager

- a) true
- b) false

Answer: b) false. Adminis-trivia is the day-to-day organizing of money (cash flow) personnel (scheduling) and machinery (inventory). It's the tedious reporting and paperwork that simply has to be done. And it's the lowest form of work for any manager. It should be automated or delegated. If you are doing this work yourself, you are a clerk— not a dealership leader.