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Dealer

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“It was important for me to not only find the best value in a DMS provider, but also a company that values me as a customer.”

C. Bradford Scott, General Manager
SCOTT VOLKSWAGEN, *East Providence, RI*

Brad Scott, of Scott Volkswagen, runs a family-owned dealership that has been in business for over 6 decades. When choosing a new DMS, he wanted more than just an intuitive system at a competitive price – he wanted a DMS that valued relationships and shared his dealership’s values. At Auto/Mate, we embrace our core values and use them as the foundation for everything we do.

To read more about Scott Volkswagen’s story, visit www.automate.com/scottvw.

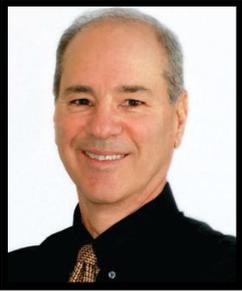
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Are You a Leader or a Manager?

MIKE ESPOSITO

Good leaders are great at setting priorities, directing resources, keeping strategies on track, overseeing process accountability and operations. These are all important and necessary skills, but sometimes, the very qualities that make a good leader can naturally create a “top down” leadership style that negatively impacts employee morale, customer service and profits.

When I was a general manager at a large, multi-line dealership, I was taught the following maxim: It’s not what you expect, it’s what you inspect. What that implies is that the dealer tells managers what has to be done, then inspects to make sure that what he wanted actually got done. Since then, I have studied leadership and management principles extensively, and I have learned that good leaders don’t have to inspect what they expect. They create a vision and mission. They communicate these to all levels of management. They understand that they need to empower their people. If you find yourself inspecting everything that you expect, chances are you are a manager, not a leader.

Do you think you are a good leader? Take this little quiz:

1. When you leave your dealership for a week, are you anxious because you think everything will fall apart when you’re not there? Good leaders don’t worry about leaving because they know that everything that’s supposed to get done will get done.
2. Do you inspire employees to give great results, or do you demand great results from them? Good leaders genuinely care about their employees and focus on making them happy. In return, the employees knock themselves out to make sure their leader is happy.
3. Have you earned the respect of your employees or do you feel like you have to insist upon it because of your position? Good leaders never have to pull rank. Even if their employees disagree with a decision, they will always treat their leader with respect.

4. Do you feel like the majority of your employees are disengaged, have attitude problems and/or are unhappy, and that it’s their fault for being that way? If you find yourself saying, “*It’s hard to find good employees*” more often than not, try looking in the mirror and ask: “*How can I be a better leader?*”

How The Typical Dealership Is Run

The first step to becoming a better leader is to rethink how your dealership is run. This needs to be a powerful paradigm shift for you the dealer. When we think of a management structure, we naturally think of putting the dealership principal(s) and/or general managers at the top, with one or two layers of managers underneath and the majority of employees at the bottom. Decisions are made at the top and delegated downwards with employees at each level implementing orders and providing accountability to the managers above them.

The problem with this structure is that when pressured from above, it’s too easy for managers to shift the blame to employees in the level below them. Another reason why this structure doesn’t work is that employees typically feel disengaged from the decision-making process.

HOW THE TYPICAL DEALERSHIP IS RUN



How Dealerships Should Be Run

Employee satisfaction is the primary focus for all good leaders. If your employees don't love your company your customers won't love your company. During the economic downturn of 2008 and 2009, the CEOs of Southwest Airlines and Costco made the decision not to lay off any employees as a cost-cutting measure. Those decisions showed their employees that they cared; and today these two companies have very high levels of employee loyalty (*not to mention customer loyalty and profitability, but that's another article*).

The point is, managers should not think that the front-line employees work for them. Rather, managers should have the attitude that they work for their employees. Moving down a level, the managers do not work for the dealer. Instead, the dealer should have the attitude that he or she works for the managers. What do your managers and employees need to make their jobs easier? Good leaders make it their job to find out and then deliver it to them.

HOW YOU **NEED** TO RUN YOUR DEALERSHIP



Inform, Empower and Reward Employees

The second step to becoming a better leader involves creating an environment where employees really enjoy coming to work every day. That doesn't mean you have to install an espresso machine so all of your employees can have free lattes. Employee satisfaction is not achieved through lattes or monetary rewards. Employees want to be informed, empowered and rewarded.

Inform. Where do you see your dealership in five years? What's your vision? How can your employees help you get there? What's your company mission statement? What are your company values? Great leaders know the answers to these questions and they also make sure every employee knows too. Employees want to feel like they're part of something, that what they're doing

matters and that they are all working towards a common goal.

Empower. Everyone thinks that great leaders have a lot of power, but becoming a great leader actually requires giving up power. Once your employees know what goals they are all working towards, empower them to make decisions that are in alignment with those goals. I promise you, they won't give away the store and they will be much happier.

Reward. Many dealers still use the old "carrot and stick" approach when it comes to rewarding employees, i.e. 'if you reach this goal, I will give you that.' Research has proven that the old carrot and stick approach is not an effective motivator or reward system. Rewards should be given based on behavior that aligns with the company values. Rewards don't have to be monetary; employees also appreciate verbal and public recognition of a job well done. Rewards should also be individualized; if there's someone who works 60 hours a week, chances are they'd appreciate two days off a lot more than they would a \$200 spiff.

Becoming a better leader requires focusing on employee satisfaction and creating a great workplace. This may require a paradigm change in your leadership style, and it may take some time and effort, but in the end it will be worth it. If you inform, empower, reward and genuinely care about your employees, I can assure you they will walk through a wall for you. 🗝️

Mike Esposito is the President & CEO of Auto/Mate Dealership Systems. Auto/Mate has one of the highest customer retention rates in the retail automotive industry and its DMS was ranked the top DMS in NADA's most recent dealer satisfaction survey. Mike's previous experience includes being General Manager at a large multi-line new car dealership, and the Director of Marketing for a Fortune 100 technology company.

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