

YARD & GARDEN

Dealer Success Guide



Dealer Success Stories:

- Service & Parts Operations
- Sales & Marketing
- Diversification
- Business Growth & Expansion
- Profitability & Cash Flow
- Catering to the Hispanic Market

Sponsored by

STIHL®

volume 14

A Supplement to Yard & Garden

Managing Your Future

To All Servicing Dealers,

I recently saw a 2006 report from a well-known, independent business research firm that indicated dealers are re-gaining market share of outdoor power equipment sales at the expense of mass merchants and big box stores. For those of us who believe that servicing dealers are the only way to retail our products, this is exciting news. However, growth brings challenges, and learning from those who have enjoyed success can prove helpful to all of us. In this issue of *Dealer Success Guide* you will hear from dealers who are doing the right things to ensure long-term prosperity.



These dealers have recognized the importance of dedicating time for planning their businesses' future growth. Whether it is an investment in technology or expanding to an additional location, successful dealers carefully evaluate all aspects of potential expansion or infrastructure investments before leaping forward prematurely. Learning from their experience can help you avoid costly mistakes when attempting to grow, or re-engineer, your business.

As always, our business environment is a challenging one. Yet, it continues to offer enormous opportunity to those who can see and plan effectively for the future, sometimes through the experiences of others. Finding and communicating best practices from the field is what *Dealer Success Guide* is all about, and we are proud to be a part of it.

I encourage you to read what some of the best have to say and wish you a successful 2007.

Continued Success,

Fred J. Whyte
President
STIHL Incorporated

Stories of Real Success

Now in its 14th volume, the *Dealer Success Guide* is taking on a slightly different format this year. The *Guide* has always been designed to present a wide range of small business management topics. Judging from the feedback we've gotten, the articles have helped you learn some things about budgeting, managing employees, advertising, selling and more. There is plenty more of that to kick off this edition.

The majority of the issue, though, is packed full of real-life dealer success stories—dealers who have embraced the concepts and potential strategies outlined in past volumes. I guess it makes sense. After all, this is the “*Dealer Success*” *Guide*.

I've heard countless times from dealers that their best source for ideas is other dealers. That's why it makes sense to us, as well as our sponsor Stihl Inc., to share as many of these dealer success stories with you as possible. Rather than just listen to us preach to you about what you should be doing to manage and grow your businesses, why don't you take it from other dealers just like you?

I'll begin putting together the next *Dealer Success Guide* later this spring. If you'd like to share a success story, please contact me (see below). I'm looking for dealers who can share personal experiences and ideas on a variety of topics, including:

- Profitability & Cash Flow
- Expansion & Business Growth
- Sales, Marketing & Merchandising
- Personnel Management
- Service & Parts Operations
- Diversification
- Technology

I look forward to hearing your success stories and sharing them with our readership. ■



Gregg Wartgow
 Yard & Garden Magazine
 1233 Janesville Ave.
 Fort Atkinson, WI 53538
 800-547-7377 x1614 • 920-328-9011 (fax)
 Gregg.Wartgow@cygnuspub.com



Page 4

Creating A Personal Brand..... 4
Value First, Brand Second..... 6
Sales Advisor Or Order-Taker?..... 8
Create Marketing Masterpieces..... 10
Asking Questions Is Key To Sales..... 11
Exposing Excuses..... 12
The Productivity Of Passion..... 13



Page 14

DEALER SUCCESS STORIES

Business Growth & Expansion..... 14
Profitability & Cash Flow 18
Diversification 20
Service Department 22
Parts Department 24
Catering To The Hispanic Market 26
Sales & Marketing..... 28



Creating A Personal Brand

Your body language needs to say that you're confident and relaxed. Pictured is Michael Pounds of Pounds Motor Co. in Winter Garden, FL.

When David was a small boy his father asked him, "What do you want to be when you grow up?" David thought about it for a minute and answered, "I don't know what I want to be, but I know that I don't want to be a salesman." "That's too bad," his father responded. "Because, whatever you want to be, you have to be a salesman."

This is so true. People are always selling. They sell their products, services, ideas and, most importantly, themselves. No matter what you do for a living, you are a salesperson.

What will help someone succeed in this world of sales? Let's take a look at how branding can help you sell yourself more successfully.

PLAYING TO EMOTIONS

A brand is simply the emotional reaction and attachment a customer has to their total experience with a company, product or service. Judgments about brand are created in the hearts and minds of customers.

In this very competitive marketplace, it is more critical than ever that companies differentiate themselves from their competition. Success depends on being visible; standing out and rising above the crowd. Managing their brand allows companies to grab attention and gain a hold on the hearts and

minds of their customers.

But, you may be thinking, how can someone maximize their brand as an individual? How can a person harness the power of brand, to help them stand out from the crowd—to demonstrate the value they add? A personal brand provides a person the same benefits as a corporate brand. Your brand is what you represent and what you stand for in the hearts and minds of others. It is not posing, pretending or posturing. It is about who you are every day consistently, and who you are working to become.

As you attempt to manage your personal brand, remember that everyone makes split-second decisions about the world and the people with whom they come in contact. While you are taking in data and forming opinions about the people around you, they are doing the same.

The way you dress, what your business card says, your tone of voice, your body language, your work ethic and the words you use all form mini-impressions in the hearts and minds of others. These impressions are brand touch points, and collectively they form your brand image. You need to remain aware of and responsive to how your everyday actions create the impressions others have of you, so you can constantly shape your brand to maximize your value.

FIVE IMPORTANT TOUCH POINTS

Regardless of where you are in the development of your image, there are five important areas that you should always focus on:

1) How you look. Whether you like it or not, you are judged on your appearance. The moment you walk into a room, people's mental checklists come into play. Are you well-dressed? Is your hairstyle both flattering and contemporary? Do you look well-groomed? Do you look successful?

Many free spirits have said, "I'm not concerned with shallow things like clothes. My clothes express my personality." Yes, they do. But think about what message you're sending about yourself. Is your message, "I don't care what you think?" The key isn't having the most extravagant wardrobe. The key is taking the time to look appropriate for the setting and situation. Remember, customers are often dropping several thousand dollars in your lap for a mower. You want them to feel comfortable doing so. You also want to be judged on merit. But if you don't make a positive physical impression, you may never get a chance to impress others with your knowledge and skill.

2) How you communicate. No matter how wonderful your physical impression, you have to support it with good communication skills. Have you ever watched a presentation given by someone who is slump-shouldered, can't look you in the eye and bores you to tears with their lack-luster voice? Don't let that be you.

Your body language needs to say that you are confident and relaxed. Good posture and appropriate gestures say that you are sure of what you're saying and enthusiastic about your topic. Comfortable eye contact says that you believe

what you're saying. Varying your vocal tone, pitch and pace says you are motivated to keep the person you're talking to interested and that you are worth listening to.

Your vocal skills are even more important when communicating on the phone because the person on the other end doesn't have the benefit of visual input.

3) What you do. You can promise people the world, but if you don't follow through, your promises are meaningless. For example, you can assure someone that you make it a practice to always be on time. But when you show up late you are sending quite another message. Your actions don't match your words. Though people may not notice when you are punctual, every time you are late you leave a negative impression. The message received is that you made the person you are meeting a low priority, whereas showing up on time or a little early indicates that you consider that person and the time you will be spending with him very important.

This attitude goes beyond punctuality. You need to be seen as someone others can count on in a pinch. Ask yourself these questions:

- Can you be depended on to follow through no matter what?
- Are you the go-to person who consistently gives more than is asked for?
- Are you able to multi-task with grace?
- Is your word your bond?

Answer "yes" to these questions and you will deserve the confidence you're seeking.

4) What you know. You probably don't like to appear to be bragging about your accomplishments. No one likes the guy who flaunts his fancy degrees, certificates or awards. However, that's a far cry from sharing the very things that

qualify you as an expert on a certain subject matter.

If you're asking people to believe that you know what you're doing and/or to take your advice, you need to tell them why their confidence in you is justified. What makes you qualified will vary with what you're trying to do. Perhaps it will be years of experience, a long and/or varied job history, an advanced education or a depth of research. The key is in giving your listener the information needed to make an informed decision.

5) How you reach out. Letter writing is an art. You need to make your communication compelling and effective. People will also want to do business with you based on what they see on paper.

Although e-mails are intended to be less formal methods of communication than written letters, you still have to be aware of proper e-mail etiquette, which includes correct grammar, spelling and punctuation. Mistakes in these areas make you look unprofessional or uneducated.

Something as small as your business card can have a big impact on how you are viewed. When you hand someone a tattered card that has writing on the back, you are leaving an impression that you are not prepared to do business.

Remember every day that you have the ability to either support your current brand or enhance its power by supporting these five brand touch points. Create a powerful image that sells. ■

About the Author

Laurie Brown is an international speaker, trainer and consultant who works to help people improve their sales, service and presentation skills. She is the author of "The Teleprompter Manual for Executives, Politicians, Broadcasters and Speakers." For more information visit www.thedifference.net, call 877-999-3433, or send an e-mail to lauriebrown@thedifference.net.

Value First, Brand Second

Today, many marketing people love to talk about brand selling as the key business driver that induces prospects to take an action step to buy. But in this business world, to sell more, it should be value first, brand second.

Why? Because every brand has attached to it both good and bad perceptions based on the receiver's understanding at the point in time it is heard. It doesn't matter if what you say about your brand is true. The person you are telling it to must believe you. At any time, the prospect may have heard something about your brand that was negative, or they may have had a business acquaintance say something that describes your product or services incorrectly.

Today, the question sales people must answer is: How do prospects see us? Do prospects see us as a vendor who is a predator or do they see us as a peer who is a provider? It's not necessarily you or your employees that they are judging; it's all of the salespeople and brands that preceded you.

IS YOUR BRANDING JUST TESTOSTERONE MARKETING?

Often, brand marketing is some grandiose business exercise to paint the big picture of what makes your company different and to explain why people should buy. The problem with big brand marketing is that if it's not focused on value creation for the buyer, it boxes sales into a restrictive enclosure that at times limits new sales opportunities. Consider the following big-company examples:

- Will Volvo, branded as safety cars, ever sell lots of sport cars?
- Will Apple Computers, branded as cool artistic PCs, ever increase their business market share to 10%?

When your brand says, "We have great service," or "Our company is committed to our customers," or "My product is the best," prospects often don't believe you because all your competitors say the same thing. When you talk like your competitors, sound like your competitors and act like your competitors, you now are



It's important that your marketing messages, including signage, don't paint too narrow a picture of what your dealership has to offer. Nick's in Grafton, VA, does a good job of communicating that it's a full-service lawn and garden retail store, while also directly touching on a consumer need (time constraints) with its mobile service offering.

perceived to be like your competition, and it's hard for prospects to truly see the value difference of your brand and how you can help them.

This happens all the time. Here are some examples of other companies:

- A pharmaceutical company's brand is so incorrectly positioned that just saying its corporate name paints just one drug in the minds of doctors. A dealership goes by the name of Joe's Saw Shop, and prospective customers have no clue Joe also sells zero-turns, utility vehicles and parts for a ton of popular consumer brands.
- A software company has developed a very successful customer relationship management software application, but that's all prospects think the company sells because that's all they hear about. A dealership



has a massive sign out front for one of its top three lines, but prospective customers aren't aware of the two other premium lines displayed inside in the showroom—lines that include products these customers are in the market for.

- A company sells loose diamonds, but prospects have no idea the company also sells completed jewelry. Similar to above, prospects may be left with the impression that Joe's Saw Shop only sells chain saws.
- An insurance company sells a broad range of financial services, but the company's name has the words "life insurance" in it. Poor Joe. Hopefully he has some mowers parked outside in front of the store to help get his message across that he sells and services a broad range of outdoor power equipment.

FINGER LICKIN' GOOD

Why did Kentucky Fried Chicken change its name to KFC? Because its brand forced buyers to see only "fried" chicken and not the entire food product line it sells.

Why did AT&T change its name from American Telephone and

Telegraph? Obviously, because the company does not sell telegraphs any more.

Why did National Cash Register change its name to NCR? Because banks don't buy cash registers, but

The problem with big brand marketing is that if it's not focused on value creation for the buyer, it boxes sales into a restrictive enclosure that at times limits new sales opportunities.

they do buy the ATM machines that NCR sells.

Every word you do and don't say to prospects paints pictures in their minds called "Visual Brochures." Visual brochures are like TV screens that sometimes are out of focus. When you centralize your marketing and sales on one corporate brand, you limit the TV screen's clarity based on the reviewer's knowledge and lack of knowledge about what you sell.

By using brand as a door opener or as a discussion item, you are assuming that the prospect knows and understands your offering and the offering's value to them if they purchase from you. But this

assumption gives too much weight to the theory that all buyers know how to buy correctly and that all buyers understand your brand.

To grow your business faster, always communicate value first and brand second. Business prospects buy based on three reasons:

- Your product or service increases income for them
- Your product or service decreases expenses for them
- Your product or service helps your buyer manage his potential risks or consequences.

These three business drivers are the true value buyer motivators that induce prospects to buy. Thus, companies and salespeople must use them upfront as tools during their pre-sales cycle to drive prospects to take action steps to buy. This value-forward selling model doesn't focus on the "brand

message" you want your prospect to assimilate. Rather, it focuses on the results your product or service delivers. ■

About the Author

Paul DiModica is an author and president of a management consulting company called DigitalHatch. DigitalHatch focuses on value-forward sales and marketing management strategies that increase revenues. Paul also is the author of the best selling book, "Value Forward Selling, How To Sell Management," the new book "Sales Management Power Strategies" and publisher of the world's largest sales strategy newsletter called "BDM News." Previously, Paul was VP of Strategy for Renaissance Worldwide, SVP of Sales and Marketing of Impresa and VP of Sales for Ibertech. Paul is originally from Massachusetts. Visit www.pauldimodica.com for more information.

Sales Advisor Or Order-Taker?

As a sales professional, you must strive to stay in control of every situation. That is, you must guide your customers to the best decision and ensure that they know the advantages and disadvantages of every buying decision. This is a practiced skill that very few sales professionals have honed.

Think about it. As a salesperson, you are trained in the specifics of what you sell. You know how the industry works, you have experience with your product or service, and you have access to information your customers do not. So why let a customer, who is not as knowledgeable as you in this particular field, take the lead in the transaction? Doing so is a recipe for disaster.

Smart and successful salespeople view themselves as advisors. But the majority think of themselves as order-takers. The customer says, "I want this and this and I want to do that." And the salesperson says, "OK," no matter what the request.

Those who take on the advisor role listen to what their customer wants, and then they determine if those requests make sense for the customer. If they don't, the advisor offers alternatives, shows why those alternatives are necessary, and confidently makes his or her case. The customer, who senses the salesperson's knowledge and expertise, usually see that the original requests were unreasonable or not to his or her advantage.

DEVELOPING THE SALES ADVISOR MENTALITY

Many salespeople claim to be advisors, but really they are not. To make a customer truly believe you are an advisor, do the following:

Use affirmations. Affirmations confirm your beliefs by ingraining them into your subconscious. That's why

the first step to thinking like an advisor rather than an order-taker is to tell yourself every day, "I am an expert sales advisor. I advise my customers on the best buying decisions to make." But remember, simply saying the words is not enough. You must truly believe them. Once you believe them, they will become reality.

Know your information. The other part of the advisor mentality involves the information you're able to provide, because at some point you're going to have to prove your advisor status by actually advising your customer and giving reliable information. That's why you must know your information, but not rely on it exclusively.

When many salespeople talk with a prospect, they over-prepare. They find every fact and figure available to prove why their product or service is superior and they overanalyze the data. As a result, they want to impress their customer with data rather than show the customer what the product or service can actually do to improve his or her life. The customer

soon feels buried in data and tries to gain control of the situation just to get out from under the information overload.

The key here is to realize that different personality styles exist. For example, suppose the customer you're talking with is an engineer. By nature, engineers are analytical and want to see data. They rely on facts and figures in their day-to-day job, so offering them facts and figures in your sales transaction makes sense. However, if you're meeting with another business owner, he or she is busy and likely only wants bottom-line information—just the end results of what he or she will get.

Be adaptable. To be a successful advisor, you must be able to recognize the different personality styles and be versatile in your approach to each. You need

Being a good advisor is really about knowing how to read people, both in person and over the phone. Then, it's about adjusting your approach to match the other person.



people always appear nervous, and they lack confidence. As a result, their customers run the show, and all the salesperson does is take orders.

If you want to get a better understanding of the different personality styles you will encounter, and the best approach for dealing with each, read books about the Myers-Briggs Type Indicator or the DiSC Personal Profile System. Both of these assessment methods are great tools for understanding people. Simply do a search online or visit your local library for the information.

BECOME A SALES ADVISOR TODAY

In the end, it's up to you to take control of every situation and guide your customers to better decisions. Really get to know the kind of people you're working with, and truly believe you can help them with their needs. The more you view yourself as a true advisor, know your information and stay adaptable, the more sales you'll make. ■

About the Author

Jerry Pujals helps sales pros nationwide increase their production, efficiency and sales. More than a speaker, Jerry has years of experience in real estate and is a member of the National Association of Realtors. His new book, "Secrets to Real Estate Success," offers insights and strategies to help others achieve their real estate goals. For more information on his book, speaking and seminars, please visit www.jpalsystems.com or call 707-226-6985.

Those who take on the advisor role listen to what their customer wants, and then they determine if those requests make sense for the customer.

to identify immediately whether you're dealing with an amiable kind of person who likes to take his or her time, or if you're dealing with a fast-paced, to-the-point kind of person. How you relate to each and the kind of information you give each will be different.

Being a good advisor is really about knowing how to read people, both in person and over the phone. Then, it's about adjusting your approach to match the other person.

A great question to ask that will help you identify a person's personality is: "What are some of the things that are important to you that you want to know?" This one

question will tell you more about people than anything else. Right away an analytical type will say, "Before I buy I need to know the exact specifications of the product, how it works, what warranties are available, and any other data that's pertinent." However, a more bottom-line thinker would say, "I just want to know what results this product will give me." Do you see the difference in responses and how each response reveals different information about the person?

Unfortunately, most salespeople wing it when they're meeting with customers. They don't adjust their information for their audience, and their results show it. These same

Create Marketing Masterpieces

All of us would like to think that our product is so good and our services so unique that they'll simply sell themselves. But that's not so. Strong branding, powerful images, compelling web pages and outstanding marketing pieces can make or break that upward sales curve you crave. In today's market, your customers are influenced more than ever by the visual presentation of your marketing pieces. If they are well-designed, they're likely to be read, remembered and respected.

Here are five simple, but essential tricks of the designer's trade that you can use immediately, at little cost, and with excellent results.

TAKE ADVANTAGE OF QUALITY CLIP ART AND STOCK PHOTOS

Chances are you're not an illustrator or photographer, but that shouldn't stop you from using professional illustrations or photos in your marketing piece. You can use clip art—sometimes at a very low price—to enhance your layout. Check out the Internet for sites that feature clip art or stock photo libraries that provide a wide variety of quality and prices to choose from. Use the same style of graphics throughout your piece to create a consistent look.

ADD DRAMATIC CONTRAST

Using contrast means having clearly apparent differences among the design elements that come together on a page, business card, etc. These include contrasting colors, shapes, fonts, and sizes of text and graphics. A high degree of contrast helps create dramatic interest and draws the viewer's eye to specific areas of your page. Effective use of white space also provides contrast, aids legibility, and gives the reader's eye a resting point.

REPEAT CERTAIN ELEMENTS

Good design calls for repeating certain elements throughout your piece to make the whole piece come together visually. For example, use the same color,

shape and size for all your bullets. Also, make all your headers the same size, color and font. Go for more and repeat specific graphic elements (e.g., boxes, banners, rule lines, etc.) throughout the piece. A word of caution: When you review your work, look carefully for any inconsistencies.

PAY ATTENTION TO PROXIMITY

Proximity refers to the exact spatial relationships between elements. For example, you create visual relationships between photos and their captions by keeping the captions close to the photos. For subheads, a pro positions them closer to the text below than the text above. Apply this principle of exact spatial relationship to all other graphic and text elements where appropriate.

KNOW WHEN TO USE SERIF AND SANS SERIF FONTS

In general, when you have a large amount of text, it is best to use a serif font because it is easier to read than a sans serif font. Serifs are the tiny horizontal strokes attached to the letters that help the reader's eyes flow from letter to letter. Bold sans serif (without serifs) are good for headlines and subheads because they slow the reader down thus bringing more attention to each word or concept. Some examples of serif fonts that are good for body copy are: Times, New Century Schoolbook, Garamond and Goudy. Some examples of sans serif fonts that are good for headlines are: Arial Bold, Helvetica Black, Univers Bold and Trade Gothic. ■

About the Author

Karen Saunders is the author of the e-book, "Turn Eye Appeal into Buy Appeal: How to easily transform your marketing pieces into dazzling, persuasive sales tools!," available at www.MacGraphics.net. Since founding MacGraphics Services in 1990, Karen has produced thousands of successful marketing projects and has designed the covers of 18 books that have become best-sellers or won awards, including a "Writer's Digest" Grand Prize winner for the best self-published book in America. Contact her at 888-796-7300, or Karen@macgraphics.net.

Asking Questions Is Key To Sales

Me, me, me is what most business people talk about during any courtship. My company, my product, my service is the leading, the best, the only, the blah, blah, blah. It's interesting to note, however, that the real secret to success in business is not the word "me," but the word "you."

Count the words in the average sales pitch. Chances are, the words "I" and "my" are heard many times more often than the words "you" and "your." Yet, the only thing your customers really want to talk about is themselves.

Salespeople can set themselves apart and uncover far more opportunity if they begin every conversation by focusing on the "you" point of view. "What kind of yard do you have?" "What are you looking to do with this new piece of equipment?" "Do you enjoy mowing or view it as a necessary evil?" Try asking a question without using the word you. It isn't easy. Switching into question mode forces a salesperson to use the word you, which leads to opportunity.

DIG DEEP TO UNEARTH REAL OPPORTUNITY

A lot of people believe they are asking good questions. But if they were to videotape mock sales or business conversations, they can see that their questions are not productive. The mistake they make is not going deep enough to uncover real issues, challenges and needs. Consider this:

Whether a rep at a power equipment dealership or a partner at a firm trying to land a big client, the salesperson needs to ask great questions. Great questions find out what people want and capture a whole picture of their point of view. They also send the strong impression that the sales rep actually cares about the customer. It's pretty difficult to close a sale unless the customer believes that the salesperson is listening and cares about them.

Questions also lead to a deeper level in conversation. If a conversation is allowed to breathe, one will find out about the deeper, more important needs or

desires. Often, the "presenting" need is not the big one, and questions will help uncover the real trouble.

After taking this step, it's far easier to precisely tailor a presentation for the audience. By taking the time to truly understand a customer, the salesperson will not have wasted anyone's time and will have formed the basis for an ongoing relationship.

Questions imply that a salesperson has the answers and expertise. After all, if they know what to ask, they must know the answers.

Questions help avoid the hard sell. If the right questions are asked, the customer articulates the needs and solutions. The salesperson doesn't do the work, the customer does. When a customer is doing the talking, they are more likely to buy. They reach their own conclusions. They don't feel pushed.

Perhaps the most important benefit of asking questions is that they help develop stronger relationships. When questions are asked, people believe the asker is genuinely curious. They are more interested in the sale, because the salesperson is interested in them.

Good questions encourage people to open up. This is one of the most powerful assets in selling ideas, products or services.

In preparation for your next customer, write down a list of questions to ask. Anticipate what the other person's needs or concerns will be, and tailor the questions to that. ■

About the Author

Suzanne Bates is a prominent executive coach and communications consultant who has perfected the art of corporate communication. She is the president and CEO of Bates Communications, which helps executives and professionals develop a unique and authentic communication style to become stars in their industries. Suzanne is the author of "Speak Like a CEO: Secrets to Commanding Attention and Getting Results." For more information, please visit www.bates-communications.com or call 800-908-8239.



EXPOSING EXCUSES

for most of us is a much larger alternative target, which will be much easier to hit since you're standing still. Ignoring conflict just increases your risk.

Excuse #4: If I confront it, the conflict will get worse. When managers tell me why they think confronting conflict will make it worse, their reasons are more often based on assumptions than on actual experience. Are you making negative assumptions about what would happen if you confronted conflict in order to justify inaction?

Excuse #5: It's not urgent, and I have other priorities. Are you feigning other priorities to justify not having to deal with conflict? Understand that conflict doesn't have to be urgent to poison the work environment. Allow low-grade hostilities to continue unchecked and they'll fester, infecting every functional activity and resulting in considerable productivity losses.

Excuse #6: Solving my employees' interpersonal problems isn't a good use of my time. Then perhaps you should consider giving up the managerial function.

Excuse #7: Employees should be able to solve their own conflicts without involving me. Telling those at an impasse they should be able to solve it themselves isn't helpful. Try getting each party to answer briefly the following questions regarding their conflict: What's true right now? What would be the impact if nothing changes? Now what are your recommendations? This process usually unearths similar suggestions.

Excuse #8: I don't want to be the "heavy." Being the "heavy" is part of the weight your rank confers. Be willing to carry it, or step aside and let someone lead who's willing to lead responsibly.

Excuse #9: I don't care enough about the people involved in this conflict to want to fix it. Then work somewhere else. Don't kid yourself into thinking that others can't sense your toxic disdain. Realize, too, that your passive-aggressive behavior is now a major part of the problem.

Excuse #10: If I were to confront the conflict, I wouldn't be able to control my emotions. Maturity involves giving up the luxury of behaving the way you feel. Learning to subordinate emotions to the achievement of targeted results is a key requirement for successful management and leadership. ■

One of the most pervasive problems within management ranks is the frequency in which managers avoid conflict. This article presents a summary of their excuses and attempts to dismantle each by revealing the flaws embedded within.

Excuse #1: I'm just not good at handling conflict. Well, you better get good at it. Needing to improve your skills with conflict doesn't justify avoiding it in the present.


Excuse #2: If I'm not feeling it, it doesn't exist. If you're refusing to act because you've experienced no ill effects from others' conflict, understand that your immunity doesn't invalidate others' pain. As the boss, you have an inherent responsibility to facilitate resolution among feuding subordinates whether it's affecting you or not.

As the boss, you have an inherent responsibility to facilitate resolution among feuding subordinates whether it's affecting you or not.

Excuse #3: If I ignore it, it'll go away. I call this the ostrich mentality. You can certainly stick your head in the sand, but not without simultaneously offering up what

About the Author

Francie Dalton is founder and president of Dalton Alliances Inc., a full-line business consultancy in Columbia, MD, specializing in the behavioral, management and communication sciences. Reach her at www.daltonalliances.com or by calling 410-715-0484.



The Productivity Of Passion

Why do some people, teams and even entire companies seem to excel, particularly in the face of daunting odds? They may not even have the best product or service. Intuitively, you know the answer. Having and instilling a passion for your work is a surefire way to draw on your team's best efforts.

Why does passion play such a role in increasing productivity? There are a few reasons:

- Passionate people are, for the most part, happy. Do you think your shop's performance would increase if Bill the tech would quit griping about Jack the service manager? **Happiness breeds performance.**
- Another productive benefit of working your passion is **focus**. You know what is important to you and your team and you are pushing forward with the strength of Goliath and the precision of David.
- A final performance booster is that your personal and team **goals will be as closely aligned as ever**. This interplay between matching your personal passions with the objectives of your group is the application that kills declining results.

SPARKING THE PASSION

Here are two questions you can ask yourself to spark your synapses into impassioned action and generate better productivity in your organization:

1. Are we on the same page? Do your employees share your personal and business goals? How aligned are their passions, proficiencies, values and priorities with the demands of your objectives and your own assets and liabilities as a manager? Have you noticed tensions that are impeding your team's progress?

If so, you need to do some digging to first unearth these potential misalignments and then bury them in the fertile earth of reality, and this can mean making some objective decisions about who you want and need working with you. Remember, the flipside of this argument is also true: Low passion encourages and enables low productivity.

2. How can I leverage my employees' collective passions, proficiencies and priorities? First, you must identify what they are for each employee and then run them through a reality check. What you discover may be surprising. Strengths and weaknesses are understood and compared. Remember, you want teams whose combined strengths are fit for the task. Plus, things that are important to employees in life, work and compensation are clarified.

Harnessing employees' passions can have a pronounced effect on their performance. Matching their assets and downplaying their liabilities also helps. Being able to reward them in a variety of means that are specific to their individual desires doesn't hurt, either.

Having and instilling a passion for your work is a surefire way to draw on your team's best efforts.

Let your employees' passions shine. Think about ways you might be able to incorporate even the slightest nuance of their passions into their personal and team's daily lives, communications and surroundings: a nickname, new award, art on a wall, dedication of a particular process devised by the employee that's named after his favorite fishing hole, etc.

Get your team's creative juices flowing. The fact that you are going through this process with your employees, coupled with your willingness to incorporate their input into their working environment, creates a gravity around meeting your targets. ■

About the Author

Lawler Kang is author of the book, "Passion at Work: How to Find Work You Love and Live the Time of Your Life," (Prentice Hall). In it, he shows how to pragmatically bring one's passions to market. Garnering an MBA from The Wharton School, Lawler has followed his own passions into fulfilling efforts in strategy consulting and management, entrepreneurial forays, leading turnarounds and working with non-profit bio-tech concerns. For more, please visit: www.lawlerkang.com.

“Some dealers are quick to expand and end up suffering from over-expansion. Sometimes this is bad luck, but sometimes it can be attributed to poor planning.”

— Dealer Success Guide, Volume 9, Page 5

Rigg's Mowers & More with four Indiana stores in Valparaiso, LaPorte, Mishawaka and Lafayette

In late 2003, when Valparaiso-based Rigg's Mowers & More was becoming the first-ever recipient of the Yard & Garden Dealers in Excellence Award, the dealership was also settling into its second store in nearby LaPorte. At that time, owner Tom Rigg said he'd love to have a half dozen stores—if he could only find good help to staff them with. Today, roughly three years later, Rigg's Mowers & More is up to four stores, even though good help is still hard to find.

Rigg was fortunate when he opened the LaPorte store in 2003. A friend he could trust agreed to run it, making the expansion much easier to manage. Business took off fast, though, and Rigg soon had his hands full.

“It got to a point where I was growing disgusted with all the balls I had in the air,” Rigg relates. “I was talking about this to another friend of mine who worked in a completely different business. I told him I needed some help; some kind of business manager. Low and behold, we joined up as partners in 2004.”



Tom Rigg
2003 Dealers in Excellence
Award Winner

That friend, Geoff Blanco, came from the IT (Information Technology) world. “We were pretty weak in the computer department, so I knew my new partner's background would really help,” Rigg points out. “At the same time, he didn't really know anything about the power equipment business. That's my strong suit. So where he's weak, I'm strong, and vice versa. That makes for a good partnership.”

In addition to his background in computers, Blanco brought another trait with him that appealed to Rigg: his age. Blanco happens to be quite a bit younger than Rigg. “Now I have a way out of this business when I want to retire because I have someone capable of taking over for me,” Rigg says.

Now owning two stores (Valparaiso and LaPorte), Rigg and Blanco agreed that, if they were going to start making some serious money, they needed even more locations. New markets were opening up in bigger towns that benefited from the presence of two major universities: Indiana and Notre Dame. The partners talked it over with their suppliers and “went to town,” if you will.

First, a third store was opened in Mishawaka (South

**The mothership
in Valparaiso**



Bend). At this time, Rigg's Mowers & More was mixing up its product lineup a bit. "We wanted to get down to our six main brands and run with them," Rigg says. A commercial mower line was dropped, primarily because it was only allowing for a 10% gross margin. Rigg replaced it with another commercial line, which would yield a much better 20% gross margin. "My partner

knew opening a fourth store was going to be tough, but it was a good opportunity. After we talked with our other suppliers, they wanted us there, too."

To help establish a presence quickly without having to expend a great deal of money upfront, Rigg and Blanco began leasing space to set up a store. A former rep of Rigg's Mowers was hired as man-

"If we wanted to build buildings and grow our business, we needed money, and we aren't going to have any money making 10 points."

told me that if we wanted to build buildings and grow our business, we needed money, and we aren't going to have any money making 10 points," Rigg says.

Kubota was also added. "I'd wanted this line for a while," Rigg points out. "I'd been wanting to branch into mini-excavators and skid steers. The mower business was just too sketchy for us to continue putting all our eggs in that basket." Rigg's Mowers & More also began selling Kubota zero-turns and tractors.

Kubota was actually the main reason Rigg's soon opened a fourth store in Lafayette. "Lafayette was kind of an accident," Rigg tells. "Kubota wanted a presence in Lafayette and asked us to help. We

ager. "I've known him forever ... he's a great guy who really knows this business," Rigg says.

So far, operating out of the leased building, the Lafayette store has been a huge success, encouraging Rigg and Blanco to make a bigger investment in this location. The partners have already begun shopping for some land to build a new facility in the next couple years. The other three Rigg's locations are also doing very well.

Aside from finding good employees, the biggest headache expanding has caused relates to inventory management. It's under control now, Rigg says, thanks to a couple changes that were made:

- A product manager is assigned to each main line. The product

Tom Rigg's Keys to Successful Business Expansion

- Focus on your suppliers who will give you margin and territory, and will help you take the new market(s) by storm.
- Work the networking channels to find good managers to run the additional stores. Don't be afraid to look at people from outside the power equipment industry.
- Assign product managers to make sure each line is reaching its full potential.
- Leasing space requires less money upfront and lets you establish a presence quickly. Look at establishing a permanent presence with your own building in a year or two.

managers are in charge of ordering, selling and making darn sure "sitting inventory" doesn't become obsolete. Each manager works closely with Rigg and Blanco to meet objectives.

- Thanks to his IT background, Blanco has Rigg's Mower's computer system working better than it ever has. "We all communicate by e-mail now," Rigg says. "And all our stores are able to communicate with each other. We're able to keep really good track of inventory." ■



The LaPorte store opened in spring 2003.

J&I Power Equipment in Olympia and Yelm, WA

J&I Power Equipment's current market area covers roughly a 20-mile radius. With the ongoing development and growth of its county, owner Randy Longnecker says driving time has doubled for the outer-area customers to J&I's main store in Olympia, WA. So Longnecker examined where his largest concentrations of customers were coming from at the outskirts of that 20-mile radius, along with the projected population growth in those areas. His findings encouraged him to open a second store in Yelm, WA, in early April 2006.

"We chose a site about 20 miles away between two large markets that have the most potential for growth," Longnecker says. So far, he hasn't been disappointed.

Longnecker didn't budget for the Yelm store to show a profit in its first year. But it did, thanks to an especially severe winter that boosted generator and chain saw sales. Now in its second year, Longnecker is hoping for even better results.

"I was surprised at how well our higher-end, larger equipment models, even chain saws, sold from the Yelm store," Longnecker says. Based on the demographics of the area, he'd planned for more lower-end models. This year he knows better, and is planning accordingly.

Also this year, the Yelm store will be carrying Kubota products, which have long been available in Olympia. "We didn't want to open up Yelm last year with exactly the same product offering, or do too much too soon,"



Randy Longnecker
2003 and 2004 Dealers in
Excellence Award Finalist

Longnecker points out. "Now, all the paperwork is signed and it looks like we'll have Kubota in Yelm this season. I think the market is there so we should do well with it."

One potential adjustment being made this year is that Longnecker is planning to assign the task of inventory management to a single person. Transferring inventory between stores was the biggest struggle in 2006. Roughly 90% of J&I's inventory is shipped to the Olympia facility. Having

a single person in charge of transferring inventory to the Yelm store will ensure that nothing slips through the cracks, and inventory that's needed in Yelm will get there quickly.

A side benefit of opening a second location, Longnecker says, is that his children are able to gain some experience running a store on their own. Longnecker and wife Lori run separate profit and losses on each store and expect Yelm to make it on its own—eventually. It's already ahead of expectations. ■



J&I Power Equipment's new store in Yelm, WA. Pictured on the antique tractor is Randy and Lori Longnecker's daughter Angela.



Southland Engine in Lafayette and New Iberia, LA

When Lafayette-based Southland Engine Co. won the Dealers in Excellence Award in 2004, the dealership had recently added a 19,500-square-foot warehouse, transformed the service department into an entirely paperless operation, and implemented a bar coding system in the parts department. All of these improvements were designed to boost efficiency—which they did.

Most recently, Southland Engine set its sights on sales growth through expansion. A second store was opened in New Iberia, roughly 25 miles from the dealership in Lafayette. President Lynn Pesson Jr. says that, so far, the New Iberia store has exceeded all of their goals.

“After doing a market study on our Lafayette store’s equipment sales, we could not believe how far we penetrated the market,” Pesson says. “Equipment was repeatedly being sold 20 to 50 miles away from our store. We took a closer look and found that we did not see the small sale—oil and air filters, oil, trimmers, tillers, walk-behinds—because those customers wouldn’t travel that far for those items.”

That’s why Southland Engine decided to build a second store in New Iberia, a town of 80,000. “We knew that once the first unit was sold, we were averaging five to eight units in the same area and three to five pieces to the same customer,” Pesson points out.

New Iberia was an appealing location for a second store because home sales on the growing side of town were strong. Plus, the equipment Southland specializes in matched the market it would be serving. That was key, according to Pesson. “For example, if you’re big on 21-inch mowers, you’d probably be better off with a store closer to the center of town,” he explains. “If you’re big on 60-inch mowers, on the other hand, it makes more sense to be on the outskirts of town where the homes have larger yards.” ■



Lynn Pesson Jr.
2004 Dealers in Excellence
Award Winner

Lynn Pesson Jr.’s Keys to Successful Business Expansion

- Pick a location on a four-lane road with easy access to the interstate
- Make sure the market matches the equipment you specialize in
- Make sure the new store can provide the same level of service as the original store
- Match the looks of your main store, if possible
- DO NOT match many of the same overhead costs of the main store, such as accounting, service, storage and large parts inventories. “Our new second store has two salespeople, rent and utilities,” Pesson says. “It also has a great paperless tracking system that helps us with sales and service from store to store.”

Southland Engine’s New Iberia store opened in March ‘06.



Southland Engine’s Lafayette facility was built in 2000.



“If you don’t manage your business to make a dedicated profit, you’ll find every excuse in the book to avoid doing the tough things you need to do to remain successful.”

— Dealer Success Guide, Volume 7, Page 4

Carl’s Mower & Saw in Ferndale, WA

Carl Levien says he expects every department in his business to be profitable. “We eliminated some lines that weren’t making money,” Levien tells. “We had some manufacturers that thought we could survive on a 12% margin. That’s ridiculous. Why do business with them? Why not put all your efforts on something that will give you 20% or better?” ■



Carl Levien
2006 Dealers in Excellence Award Winner

Four Seasons Equipment in Tupelo, MS

Russ Harrington and partner Barry Jagers expect to make a profit on everything they sell. “We know what our margins should be and that’s what we sell equipment for,” Harrington points out. “We don’t cut prices. We know what our market will bare and we won’t budge. It comes down to selling yourself and everything else you can do for the customer.” ■



Russ Harrington
2006 Dealers in Excellence Award Winner

Vance Outdoor Power in Glasgow and Bowling Green, KY

According to Garnett Vance, the most important thing to know as a business owner, whether you’re a large or small company, is what it costs you to do business. “What does it really cost to sell that piece of equipment and send it out the door?” Vance asks. “For example, we have a \$20 crate disposal charge. We take a riding mower and add a \$174 setup charge to it, which includes gas. When we changed our focus from gross dollars to net dollars a few years ago, it



Garnett Vance
2006 Dealers in Excellence Award Winner

changed our bottom line completely.” Vance thinks his dealership’s future growth will come from retail sales and parts, additional locations and centralized service. “The service department is 62% of my total business cost in my main store, and it’s 100% of the most demanding,” Vance points out. “Our second store in Bowling Green has a parts person and an emergency service person to change oil, sharpen blades, etc. Our goal is to have our main store in Glasgow, where the main service center is also located, and four hubs around it to sell whole-goods and parts. We’ve also bought five loaners to get the emergency customer back in business from our satellite locations.” ■

When we changed our focus from gross dollars to net dollars a few years ago, it changed our bottom line completely.”

Wright's Equipment in Rainsville, AL

Originally appeared in *Yard & Garden's* March 2006 issue

Below are some things that have helped Wright's Equipment generate a healthy net profit over the years:

- Takes advantage of spring discounts whenever possible
- Buys smart and avoids paying freight whenever possible
- Limits lines so they can buy in better brackets, which improves their gross margin on equipment



Bruce Wright

- Keeps an eye on parts costs. "Some suppliers might be competitive on some SKUs but much higher on others," Wright points out. "Ask them why. Usually, if you'll buy in quantity, they'll be willing to deal."

Wright is also big on computers. "I hate paper," he says. "If I can do it on the computer, I want to do it on the computer." He's encouraged by the improvements many suppliers have made in the way of online parts ordering, warranty filing, etc. "It's made running my business easier and more cost-effective."

Wright hopes to see more online, CD-ROM and DVD-based training become available. He's big on training, for both himself and his employees. But traveling to update schools is costly. And most dealers just don't have that much money to throw around. ■

Mason's Saw & Lawnmower in El Cajon, CA

Originally appeared in *Yard & Garden's* June/July 2006 issue

Going out and getting business has certainly helped drive commercial sales at Mason's Saw & Lawnmower. It also helps the dealership turn wholegoods inventory an incredible eight times a year. General manager Paul Lasiter will typically place an in-season order of, say, 10 zero-turn mowers, which will sell within three weeks. Then he'll order more. The dealership's larger landscape



Paul Lasiter

Reviewing sales histories and forecasting, in addition to persistent outside sales, are keys to making this work. So is persistent collections. "I love receivables," Lasiter says. The dealership carries about \$300,000 a month. "We're persistent in servicing a relationship, but we're also persistent in getting our money."

Among the changes Lasiter implemented when he came on board in the summer of 2005 was the billing procedure. Mason's Saw & Lawnmower now sends customers one statement a month with 10-day terms. It's worked out great for both the dealership and its customers. For example, a customer now gets one statement a month, as opposed to several invoices, and writes only one check.

"We're persistent in servicing a relationship, but we're also persistent in getting our money."

customers will often buy a pallet of backpack blowers in one shot, along with 20 trimmers and 15 walk mowers. "I wouldn't even want a showroom if it weren't for our smaller landscape customers who still like to come in and touch the equipment," Lasiter relates.

It's easier on both the customer and Mason's office staff. "This is a much more effective and efficient way for us to collect," Lasiter says. ■

“In order to succeed and grow, power equipment dealers need to find product categories that supplement the seasonality of their businesses and optimize their resources.”

— Dealer Success Guide, Volume 1, Page 30

Wright's Equipment in Rainsville, AL

Originally appeared in *Yard & Garden's* March 2006 issue

Blower-heaters are a niche product Wright's Equipment began servicing many years ago. The dealership got into selling them more recently. Sales volume is not off the charts, owner Bruce Wright points out, but the product yields a decent margin and creates revenue in the off-season.

Fun-karts help fill in off-season sales. Dealer Bruce Wright (left) says the trend is toward high-end models that retail in the neighborhood of \$3,000. Wright Equipment carries the Carter Bros. line.

“Blower-heaters are a nice product for consumers with five-acre properties who have their own shop,” Wright says. “We also sell a few to construction workers who are building houses in the cold winter months. Now we have body shop guys coming in to buy them. Word gets around.”

Wright purchases the blower-heaters and related parts through a hardware distributor, a relationship that also helps him get discounted prices on nuts and bolts, etc. for the shop. Wright also found another unique product through this supplier: Kel-branded aerosols from Kellogg's Professional Products. “People actually come in looking for this stuff when they hear

we have it,” Wright says.

“It's a lot better quality than you can typically find around here.” The Kel line includes black oil, rust preventers, pure silicone and carburetor cleaners. ■

Blower-heaters are a nice product for consumers with five-acre properties who have their own shop.



Mason's Saw & Lawnmower in El Cajon, CA

Originally appeared in *Yard & Garden's* June/July 2006 issue

There are a couple new products at Mason's Saw & Lawnmower that have recently been added to the mix; products that are right in step



Paul Lasiter

with the notion of making the dealership a complete landscape supplier. Due to changes in a manufacturer's distribution strategy, the dealership had actually lost a product line going into 2006. To say the least, general manager Paul Lasiter didn't shed one tear. Instead, he immediately began looking for something to take its place.

"We wanted something that would be a great fit for landscapers," Lasiter says, "a product category we weren't already selling that would help us increase sales to current customers and also attract some new customers from other markets." The mini skid steer seemed to be the ideal product. After performing some thorough research, Lasiter settled on a company (Leon

"We wanted something that would be a great fit for landscapers ... a product category we weren't already selling that would help us increase sales to current customers and also attract some new customers from other markets."

Mfg.) that had the most partnership-oriented strategy.

Lasiter tells, "They asked what we needed to get started. They equipped us with a full demo setup so we could figure out what the market wanted before we took on a bunch of inventory. They have a great



Above: Landscapers showed immediate interest when Mason's took on the Ramrod line of mini skid steers.

Top: Kromer athletic field maintenance machines appeal to two segments of the commercial market: schools and municipalities.

bid-assist program so we can go after governmental business. They gave us a large territory, exclusive for one year. They have great cash discounts and carrying terms. And the machine is easy to operate and service, which fits right into our business model."

Also new this season is the Kromer line of athletic field maintenance machines, which apply dry lines and wet lines, groom, condition, mow, aerate, spread and spray at the same time. Lasiter envisions selling a few of these units to schools and municipalities.

Going forward, Lasiter envisions many things for Mason's Saw & Lawnmower. To fully tap the potential of the market, in this case the commercial market, "You need to find out what the market needs, not just what you can sell," he says. ■

“Most outdoor power equipment dealers leave much more money on the table in their service operations than in any other area of their businesses ... (service) just might hold the key to sound operating profit today and in the future.”

— Dealer Success Guide, Volume 1, Page 25

Bob's Power Equipment in Vestavia Hills, AL

Originally appeared in *Yard & Garden's* April/May 2006 issue

Frank Gannon purchased Bob's Power Equipment in 1998. Now he's directing the majority of his attention and investment toward service and parts. "They provide the best margins with the lowest risk," he says. "I guess I'm lucky because I haven't been in this business for 30 years like some dealers. I don't remember the days when you could make 40% on a mower. Wholegoods margins are slim and that's not going to change. So I've chosen to focus on other areas."



Frank Gannon

Gannon kept the dealership in the same location for two years before moving to its present facility, a former Goodyear Tires shop, a few miles down the same busy highway. Gannon almost immediately began making investments in the back end of the business. The dealership underwent a remodel in order to narrow up the showroom and create more space for service and parts. Now nearly 3/4 of the 7,200-square-foot facility is dedicated to parts storage and service operations.

To reduce technician downtime, Gannon has implemented a numbering system to help organize repaired units awaiting customer pick-up. For example, shop tickets ending in seven are stored in storage bay seven. A lot less non-billable time is wasted by shop staff trying to find a customer's mower when he comes in to get it.

In fall 2005 Gannon had air conditioning installed in the shop. Summers can get pretty hot and muggy in

Alabama. Now shop staff isn't dreading them quite as much.

A chain grinding station has also been installed (see photo). Gannon figures a technician will spend 25% less time adjusting for gauge thickness, since the station features three separate grinders set up for different thicknesses.

Believe it or not, one of the best things Gannon has done to improve shop productivity is reduce staff. Bob's Power Equipment used to have as many as 10 employees on the payroll at one time. "We were always



A chain grinding station is designed to reduce technician downtime (grinding chain) by 25%.

getting in each other's way," Gannon says. "A few people have quit in the past few years, and we've just never replaced them. We seem to be much better off. The people we have are extremely talented, hard-working and loyal. Everyone has a clear job description and can be trusted to get the job done." ■

Mason's Saw & Lawnmower in El Cajon, CA

Originally appeared in *Yard & Garden's* June/July 2006 issue

Technicians at Mason's Saw & Lawnmower work on 100% commission (labor and parts). "This is the main reason we absolutely will not discount labor and parts," general manager Paul Lasiter points out. "We'll work with commercial customers on wholegoods pricing, but not our service. Our service is who we are and what we're good at. And it's what our customers need us for. We have to get paid what we're worth so we can generate the profits necessary to keep investing in our service department, which enables us to provide the service our customers have come to expect."

Customers don't seem to mind. The labor rate at



Paul Lasiter

Mason's Saw & Lawnmower went up to \$73 per hour last year. The techs got a little nervous when that happened. But the shop stayed full, prompting Lasiter to consider raising the rate even more down the road.

"Our labor rate is based on value—value our sales staff must know how to sell," Lasiter says. At Mason's Saw &

Lawnmower, everything revolves around service, even when selecting which product lines the dealership is going to sell. Lasiter explains, "If we're going to sell a product, it has to be high-quality, of course, but also easy to service. Our business plan is built around the service department. Service is the only thing a dealer has control over." ■

Faxon's Outdoor Power in Bowling Green, KY

As Dave Faxon points out, dealers are taught to segment their businesses into three profit centers: wholegoods, parts and service. He wishes he could come up with something clever to do in the wholegoods department that would allow for better margins. "But even if I could," Faxon says, "Home Depot, Lowe's or TSC would probably beat me to the punch." That's why Faxon has decided to concentrate his efforts on turning a profit in the shop, which, in turn, will make his entire dealership more profitable.

Though the shop isn't quite where Faxon wants it to be from a profitability standpoint, the dealership has made great strides in the past few years. Aside from the great performance of his employees, Faxon attributes much of the improvements to a crude, but effective Excel spreadsheet he's developed to help him track shop performance.

The spreadsheet provides shop profit and loss summaries on a weekly basis. Faxon plugs in totals for equipment assemblies, "internal" repairs such as demo units or trade-ins, and "external" repairs which the dealership bills to customers. Then he subtracts payroll and payroll tax (worker's comp), along with



Dave Faxon
2005 Dealers in
Excellence Award Finalist

another \$1,250 for fixed expenses. "The purpose of this spreadsheet is to provide a quick reference to see how we're doing week to week, and this year vs. last," Faxon says. He's now trying to find a way to incorporate warranty repairs and parts dollars/profit generated by the service department.

In 2003, Faxon's service department was more than \$15,000 in the red. For 2005, the service department showed a profit of more than \$28,000. That's quite a swing—but there's plenty more to be done.

"We are trying something new this year," Faxon points out. "Instead of having one person as a 'go-to' in the shop for everything, we have one person who deals with customers, and handles warranty, documentation and housekeeping. Then, a different employee is in charge of the technicians. He assigns work, assists in troubleshooting, and is kind of our quality control person. It's hard to find just a single person who has all the necessary skills to run the shop. They're usually strong in one area, but weak in another. We'll see how this all works out this year." ■

“Organization is one of the keys to making your parts department run as efficiently as possible, allowing you to reap its ultimate benefits.”

— Dealer Success Guide, Volume 3, Page 28

Mason’s Saw & Lawnmower in El Cajon, CA

Originally appeared in *Yard & Garden’s* June/July 2006 issue

The parts department at Mason’s Saw & Lawnmower recently went through an overhaul. Now all air filters, regardless of brand, are in one section, belts are in another section, etc. Bar coding was also implemented, along with a bin storage system. A dedicated parts manager meticulously manages the



Paul Lasiter

min-max levels. Inventory now turns about 12 times a year.

Perhaps the biggest improvement in the parts department happened when all inventory for the low-end consumer lines the dealership didn’t want to work on anymore was sent back to vendors. It’s part of what general manager Paul Lasiter refers to as “their modern approach

to service.” In the early part of 2006, the Mason’s team decided to hang a sign on the dealership’s front door that listed all the brands they would service. Numerous low-end consumer brands, including Craftsman and Murray, were lopped off the list.

In addition to the savings in parts inventory this decision led to, the service department has also felt the effects in a positive way. The average turnaround on a repair has been reduced from more than 35 days to only nine. Technicians are also able to focus 100% of their time and energy on high-quality consumer and commercial equipment, which yields a much better profit margin. ■

Tim’s Country Saw Shop in Tonasket, WA

At Tim’s Country Saw Shop, half of total dealership revenue comes from parts and service. Tim Gallagher believes in supporting only the brands he carries, but in order to maximize market potential, he’s open to supporting other brands, as well—at least to a point.

“I hate to say ‘no’ to my customers,” Gallagher says. “I’ll try to work on and/or find parts for just about any mower, tiller or generator a customer brings in. But



Tim Gallagher, 2003 Dealers in Excellence Award Winner

the only chain saws I’ll support are the two brands I sell. And I refuse to work on brands like McCulloch, Poulan and Homelite.”

Gallagher doesn’t like to waste money, especially in the parts department. It’s a delicate balance. He doesn’t like to say “no” to his customers, but he doesn’t like to have expensive, slow-moving parts sitting on his

shelves, either. He counts on his distributors to get him special-ordered parts quickly. By and large, they haven’t let him down thus far. Gallagher’s \$25,000 inventory turns roughly four times a year.

He’s also helping himself save money and time. Gallagher has shifted the majority of his parts look-up and ordering from CD-ROM to the Internet. “This has greatly improved customer service,” he points out.

Tim’s Country Saw Shop continues to actively market its parts department. Discount programs are offered to large customers. Newspaper and direct mail ads promote Briggs parts kits. Most importantly, Gallagher’s long reputation of never saying “no” has helped make the dealership top-of-mind with consumers. ■

Ahearn Equipment Inc. in Spencer, MA

Ahearn Equipment recently completed a 13,000-square foot facility expansion this past fall. The parts department was a very big part of that expansion.

“Our parts inventory overflowed our previous parts room and was occupying additional space in hallways, a cold attic and offices,” says owner Tim Ahearn.

“The storage area was increased to 7,000 square feet, which allowed all parts to now be stored in one central area instead of all over the building. In addition, an area for bulk storage was made available in the old service area, now called the warehouse.



Tim Ahearn, 2005 Dealers in Excellence Award Winner

“The parts counter was redesigned in a 40-foot herringbone style with five work stations, which allow for a sense of privacy between the counterperson and customer, not to mention more display area of impulse items,” Ahearn continues. “Because we are also a NAPA auto parts store, we also have 2,500 square feet of fast-moving automotive parts in our 6,600-square-foot showroom.”

LESSONS LEARNED FROM THEIR NAPA AUTO PARTS OPERATION

Ahearn Equipment has been a NAPA auto parts store for 16 years, and now does over a million dollars a year in NAPA business. Ahearn says NAPA has taught him and his employees how to use min/max levels, along with seasonal programs, to help manage inventory. Ahearn has applied those lessons to his entire parts operation, including outdoor power. “Stock orders, seasonal orders that carry extra discounts, parts return policies and free freight are big factors in maximizing profit,” Ahearn point out.

NAPA helps their jobbers (stores) keep their inventories from becoming obsolete with a program called classification. “Four times per year, NAPA looks at our computerized inventory and allows us to return product that has a low turn or applies to older vehicles,” Ahearn explains. “Then, an equal or greater dollar volume of newer, active parts are ordered to replace what



The parts counter was redesigned in a 40-foot herringbone style with five work stations, which allow for a sense of privacy between the counterperson and customer, not to mention more display area of impulse items.



Roughly 2,500 square feet of fast-moving automotive parts are displayed in Ahearn's 6,600-square-foot showroom.

we just sent back. The only cost is our time to pull it off the shelf and return it to the distribution center.”

Ahearn says the majority of his outdoor power equipment suppliers also have parts return policies—most of them once a year—but they pale in comparison to the program NAPA offers. “The automotive industry seems to be about 10-15 years ahead of the outdoor power industry,” Ahearn relates. “Parts returns are another example of that.”

Ahearn says the amount of an outdoor power equipment parts return is typically based on his annual purchases. Furthermore, anything returned is subject to approval and a minimum 15-20% restocking charge. The return freight is also Ahearn's responsibility.

“Obsolete parts are not approved for return, so we have to keep an eye on excess inventory and send it back before it becomes obsolete,” Ahearn says. “NAPA's program happens four times per year, which keeps our inventory from ever going obsolete.” ■

Catering To The Hispanic Market

You don't have to live in California or Texas to clearly see that the Hispanic market is a rapidly growing segment of the U.S. population. Depending on the demographics of your market area, it may or may not be a good idea to invest in things like Spanish-language marketing materials and in-store literature, or ad placements in Spanish-language media. But if you're seeing growth among the Hispanic community in your market, simply learning a little about that market's culture(s) and making those customers feel at home can put you in a position to win their business.

RECOGNIZE SIMILARITIES

John Park of Lomita Lawnmower & Saw Service in Lomita, CA, has been serving a customer base that's 60% Hispanic. Most are professional landscapers. Park says taking care of his Hispanic customers is not unlike serving other pros. "When it comes to advertising, we pretty much rely on word of mouth," Park points out. "People are people. Our Hispanic customers want good service at a low price. So that's what we try to provide. We offer on-the-spot service."

Mike Haddy of A&G Turf Equipment in Peoria, AZ, shares those sentiments. "Our Hispanic customers are just like any operator," Haddy says. "They have the same needs and encounter the same problems. They develop brand loyalties just the same. They're not any harder or any easier to deal with when they have a problem or are negotiating the purchase of a new machine. Of course, the language barrier can be a struggle at times."

A&G Turf Equipment also has stores in Mesa and Scottsdale. Haddy says two of their three stores em-



ploy Spanish-speaking personnel. The goal is to have Spanish-speaking employees at all three stores, not to mention any future store openings.

MAKE THEM FEEL APPRECIATED

When Ramon Quezadas purchased Sirena Mower Shop in Redwood City, CA, in 1989, roughly 25% of the dealership's customer base was Hispanic. It immediately jumped to 65%. "We spoke the language," Quezadas relates.

Now at least 85% of Sirena Mower's customer base is Hispanic. "Latinos have taken over this business around here," Quezadas says. "When we bought the dealership in 1989, many of our current customers were employees at different landscaping companies. Now they own their own landscaping companies."

Quezadas says his suppliers have been quite helpful.



“Finally, outdoor power equipment companies realize the Hispanic market is important,” Quezadas says. “Some, like Stihl, have Spanish literature, which has helped us show these customers that we appreciate them.”

Showing Hispanic customers that they are appreciated is the most important thing you can do. Consider the following personality traits shared by most Hispanics, as outlined by Hispanic Research Inc. at www.hispanic-research.com.

- Conservative in culture and lifestyle
- Pessimistic
- Appearance is very important

Latino or Hispanic?

The term “Hispanic” was created so the U.S. Census Bureau and business marketers could categorize a growing segment of the U.S. population whose ancestry can be traced back to Spain. In actuality, though, the majority of Hispanics living in the U.S. come from various Latin American countries such as:

Mexico – 66% of Hispanics living in the U.S.

Puerto Rico – 9% of Hispanics living in the U.S.

Cuba – 4% of Hispanics living in the U.S.

That’s why some debate has taken place as to whether or not this growing market segment should be referred to as “Latino” or “Hispanic.” Generally speaking, the two terms can be used interchangeably. However, the term Hispanic is typically used when referring to this population as a segment of the marketplace. But when referring to a specific people and/or culture from a Latin American country, Latino is the more precise, sensitive term.

- Spiritual in nature
- Homes are decorative
- Brand name is important
- Made in the U.S.A = high quality
- Family is extremely important, as is any sense of group belonging
- Laid-back attitude; less confrontational in buying.

“Our Hispanic customers need to feel appreciated,” Quezadas reminds. “They are a huge part of our dealership’s success, and the industry as a whole. We need to make them feel good about that.”

Sirena Mower Shop has long held various special events, like open houses, that cater to the Hispanic customer segment. As of late, Quezadas has come up with something a little different that’s really helped him solidify his reputation as a trusted source for power equipment.

“I became a radio DJ,” Quezadas point out. Working with Stihl, Quezadas purchases one hour of radio time a week. He calls his show, “The Hour of the Gardener.” Quezadas invites all gardeners (landscapers) to call with questions, ideas and tips on gardening. “It’s been a great show that gets our customers involved,” Quezadas says. “It also shows them that they really matter to the industry.

They like that.”

Monroe General Rental in Monroe, NC, also strives to make Hispanic customers feel appreciated. Roughly 26% of the store’s business comes from the Hispanic market, even though president Mark Unetich does not speak Spanish. Unetich says three tactics can help generate awareness among the Hispanic market:

- **Create targeted advertising.** Spanish radio spots on the local Hispanic station work well for Unetich. He also distributes flyers in local Hispanic hot spots including restaurants and soccer stadiums.
- **Carry bilingual materials** such as product catalogs and safety manuals.
- **Cater to special needs.** Unetich has developed customized payment plans and “starter kits” for pros just entering the industry.

Richardson Saw & Lawnmower in Richardson, TX, holds an annual Cinco de Mayo festival to cater to the Hispanic market. Owner James Poen brings in a mariachi band and authentic Mexican cooks for the meal.

Top Flight Trailers & Equipment in Cut N Shoot, TX, advertises extensively to the Hispanic market using billboards, radio and Hispanic newspapers.

The Hispanic market will continue to grow, presenting an increasing opportunity for power equipment dealers all across the country. How much you invest in marketing to this segment is up to you. But don’t ignore it. As dealer Ramon Quezadas pointed out earlier, Hispanics are an important part of the pro market. And they’re an increasingly important segment of the consumer market, as well. ■

A dealer must identify his position in the market. He must formulate a unique positioning statement that sets him apart from the competition and identifies his services to the customer.

— Dealer Success Guide, Volume 2, Page 4

Wright's Small Engine Service Specialists in Rochester, MN

Originally appeared in *Yard & Garden's* November/December 2004 issue

When Fred and Lori Wright wrote their first business plan back in 1993, they said their new dealership would hang its hat on service. That overriding theme is still the basis for their plan today. A few of the finer details, however, have changed. As Lori points out, any good business plan must remain fluid so your company can adjust to changing market conditions. For many dealers, including Wright's Small Engine, one changing condition has been competition from mass merchants. In turn, Wright's has changed its approach to marketing.

"We're much more aggressive marketers today," Fred says. "When we started out, we did what so many dealerships do: We ran our suppliers' ads with our name down in the corner where nobody sees it. Now we make sure at least half the ad features our name. That's the most important part of the ad. Our name and independence is what makes us special, along with the quality brands we represent. We are not



Fred Wright
2004 Dealers in
Excellence Award Winner

bashful in print or radio to promote our business and let consumers know we are the 'pros with a great attitude' they should come to for all their power equipment needs."

Wright's Small Engine used to utilize a variety of advertising media: newspaper, radio, TV, billboards, Yellow Pages, you name it. Fred and Lori have worked diligently to identify the media that have worked best. "Aside from the Yellow Pages," Fred says, "radio has worked best for us. That's what we focus on today."

All ads are tagged with the phrase, "Rochester's finest service shop." There's also mention of "Wright's famous lifetime blade sharpening." Fred estimates that 70% of the mower and tractor sales he closes are cinched when he tells the customer about this perk. He says it's a great, low-cost way to promote the dealership's value. "And it's funny," Fred says with a chuckle. "Most customers don't take us up on the offer, even though it seems to be really important at the time of their purchase. Most seem to forget about it, I'm guessing, because the amount of blades we end up sharpening is much lower than the amount we sell." For saw purchases, Wright's offers free chain sharpening for one year, which has also increased their close rate on saw sales. ■



Morgan Power Equipment in Halifax, MA

Originally appeared in *Yard & Garden's* June/July 2006 issue



Joe Salters

Joe Salters of Morgan Power Equipment in Halifax, MA, realized long ago that the more profitable his customers are, the more business he can do with them. Thus, anything he and his staff can do to make the landscape professional more profitable is as good for the dealership as it is for that landscaper.

Morgan Power Equipment entered the commercial market in the late 1980s. As the dealership's commer-

relates. "There was just nothing left to talk about; nothing to upgrade or adjust. There are always the basics, but we'd covered all that before."

EDUCATE CUSTOMERS ON SMART BUSINESS MANAGEMENT

In response to a trend he'd recognized for the past few years, Salters decided to take the annual service school in a different direction. "Profit from my customers' maintenance divisions was dropping," Salters says. "Even more alarming was the fact that most of my landscapers with both a construction and maintenance division couldn't tell me how they determined the profit from each. I felt it was time to work on this."

In the past, foremen and crew members were the customers attending the service school, as opposed to the owners or decision makers at the landscape companies. "We wanted to change that," Salters says.

"Our landscape customers' newly acquired knowledge made them more profitable, and thus, a more lucrative customer base for us."

cial equipment sales volume increased, so did the volume of repairs in the service shop. Salters recognized that many of these repairs—needless repairs that were eating away at his customers' margins—could have been avoided.

EDUCATE CUSTOMERS ON SMART EQUIPMENT USAGE, MAINTENANCE

"Clearly it was time to start educating my customers on how to maintain, adjust, repair and upgrade their mowers," Salters says. That was more than 10 years ago. The annual service school has become a staple of Morgan Power Equipment ever since.

"But we found ourselves in a catch-22," Salters points out. "We got so good at teaching our customers how to maintain their machines that they soon didn't need us for anything but parts and new equipment. Regardless, our landscape customers flourished. Their newly acquired knowledge made them more profitable, and thus, a more lucrative customer base for us."

When Salters and store manager Chris Murphy started planning the curriculum for their 2006 service school, it became apparent that they'd run out of material. "Our main mower line is darn near perfect," Salters

"We hired accountants and consultants to help us develop spreadsheets that separate the maintenance and construction divisions. Each division has its own costs, and each should be managed for its own profit or loss. Our goal is to share these spreadsheets with our customers who are using QuickBooks Pro or a similar accounting system."

A HOW-TO GUIDE TO PROFIT & LOSS

Morgan Power Equipment is currently working on a manual with work sheets and examples to help customers get a feel for using the spreadsheet. "All our customers have to do is pull the costs off their P&L statements for last year to get started. It will be a lot of work in the beginning, but once they get up and running it should only take 5-10 minutes of data entry a day."

That's a small price for a landscaper to pay in order to take a big step toward improved profitability. Taking the time to develop value-added services such as the annual service school and P&L spreadsheet has been a small price to pay for Morgan Power Equipment as it aims to help customers take that step. ■

MAE Power Equipment in Mission, TX

One event MAE Power Equipment holds every year is its commercial field day to kick off the spring. According to Oscar Cavazos, whose father Ben owns the dealership, the field day has grown in the past 10 years to become an event that MAE's customers enjoy and look forward to.

"We invite local school districts



Oscar Cavazos
2004 Dealers in Excellence Award Winner

run equipment."

MAE Power Equipment has also had success with its local newspaper. The newspaper spot, which runs once a week, features ads

and cities, as well as local cutters," Oscar says. "We provide a short maintenance seminar and a Q&A session. We set up a tent, equipment displays, and demo stations so attendees can

for six to eight businesses. It also includes two 2"x6" articles on two of the businesses per week. The articles are rotated every week so that each business has an article at least once a month.

"My latest marketing ploy is a banner ad on the local newspaper's website," Oscar points out. "I am still waiting on the go-ahead from one of our manufacturers. The banner ad will link to a page at our website where visitors can fill out an information e-mail and print out a voucher to redeem at our store." MAE Equipment's website is www.mae-equipment.com. ■

MAE Power Equipment underwent an extensive remodel in 2004. Oscar Cavazos says the main goal of the remodel was to modernize the facility. More specifically, he and his father Ben wanted to double showroom space, establish an equipment warehouse, and condense the parts area down by implementing Stanley Vidmar storage cabinets, such as the three seen here behind the parts counter.



Faxon's Outdoor Power, Bowling Green, KY

Dave Faxon says he's not the biggest fan of advertising, but realizes it's a "necessary evil." Most business consultants will advise companies to spend roughly 3% of gross sales on advertising. Faxon says his dealership has averaged more like 1%, though he did beef it up a bit last year to promote his new location and store.

"We are big on print," Faxon says. "I've learned that the factory workers around here have a



Dave Faxon
2005 Dealers in Excellence Award Finalist

side. The little trader publications are cheap to advertise in. Plus, they lay around on break room tables for a week or two."

This year Faxon's has discontinued their display ads in the Yellow Pages, going to a simple

high enough income and credit scores to afford an \$8,000 to \$10,000 mower, and some of them work off-shifts and want to mow some on the

bold listing. "Bowling Green now has five phone books in a town of 64,000-plus," Faxon relates. "How ridiculous is that?" Faxon has determined that trying to provide full phone book coverage with impressive Yellow Page ads is now too costly to justify. Regardless, the return on investment hasn't been that great anyway.

Faxon says he has been getting his money's worth when it comes to Stihl's co-op program. He's run some half-page black-and-white newspaper ads on his own, and also buys into some group advertising with other local Stihl dealers. ■



*Joe Morgano, owner, Power Equipment Plus,
East Hampton & Southhampton, New York*

“STIHL tools even cut through tough business challenges.”

“I opened my doors with two strikes against me: the high cost of owning a business on Long Island, and my off-the-beaten-path location. But going STIHL exclusive, and all the advantages that come with it, made a huge difference. In fact, my sales jumped 50% after the change. Being exclusive means I’m only carrying one handheld product line and that gives me a more manageable parts inventory.

It also means better and faster service for my customers because everyone here knows STIHL products intimately. Overall, my business today is more focused, more efficient and definitely more profitable. You know, I’m surrounded by big box stores out here. But the way I see it, I’ve become a business challenge to them.”
www.stihlusa.com

STIHL®

For More Information Circle 101 on Reader Service Card

Why is the world's number one selling brand of chain saw not sold at Lowe's® or The Home Depot®?



STIHL has been running these ads for more than a year in some of the nation's largest newspapers. We are proud of independent STIHL dealers and we want the world to know that we support

the professionals who stand behind the STIHL product they carry. Our dealers know, STIHL doesn't sell its products in a box, not even in a big one. To find out why go to www.stihlusa.com/learnwhy.

To learn how to become a STIHL Dealer, contact your local STIHL Distributor.

The Home Depot and Lowe's are registered trademarks of their respective companies.

Number 1 Worldwide **STIHL**®