

# YARD & GARDEN

## Dealer Success Guide

### MASTERING Your Workforce

- Happy, Productive Employees in Every Department
- Employee Handbooks
- Training New Hires

Sponsored by

**STIHL**®

volume 20

A Supplement to Yard & Garden

What's In Your Shop?

Host a Successful  
Open House

Create Your Own Flyers

## Success is a Choice

To All Servicing Dealers,

While it has become painfully evident that no one can readily predict the economic future these days, experts in publications like *Yard & Garden*, *USA Today* and *The Wall Street Journal*, are pointing to somewhat positive signs and expressing a more optimistic outlook for 2010. Ultimately, optimism is a choice, an important choice that can potentially mean the difference between just weathering the storm or actually growing your business at the expense of competition. At STIHL, we see potential for recovery and modest growth for the OPE industry in 2010, and I was encouraged to see at a recent STIHL Northwest dealer meeting in Stevenson, Wash., that the business owners in attendance shared that optimism.



Research shows that dealers who have fared best in challenging economic times are those who continue to invest and pursue sound and innovative business practices. This issue of the *Dealer Success Guide* helps you do just that with recommendations for improved performance in key business areas including your people, your productivity, and your profitability.

At STIHL, we remain convinced that our fundamental business strategy, support for the independent servicing dealer, is the correct, long-term path. Our refusal to waiver from this position attracted the attention of Dr. Andrew Thomas, who recently co-authored *The Distribution Trap: Keeping Your Innovations from Becoming Commodities*. The book speaks to the dangers of the mass merchant and mega store distribution models. Chapter six actually focuses on STIHL's unique marketing approach and decision to forgo mega stores. I invite you to learn more about this important reference piece and its authors at [www.distributiontrap.com](http://www.distributiontrap.com).

In essence, when faced with adversity you can do nothing and hope that problems will resolve themselves, or choose the right business partners, adopt a winning strategy, and take deliberate actions to protect and grow your company.

Good selling!

Sincerely,

A handwritten signature in black ink that reads "Fred Whyte". The signature is fluid and cursive, with the first name "Fred" being more prominent and the last name "Whyte" following in a similar style.

Fred J. Whyte  
President  
STIHL Inc.



### Recognizing Milestones Helps Bring Future Into Focus

Part of what makes being in business enjoyable is celebrating milestones. So humor me while I take a moment to say “hip hip hooray!” because this volume of *Dealer Success Guide* is the big #20.

Consider all of the milestones you’ve achieved over the course of the 10-year history of *Dealer Success Guide*. What kind of sacrifices, investments and/or changes did you have to make in order to reach those milestones?

Now think about some of the milestones you’d like to reach over the course of the next decade. Will similar sacrifices need to be made? Chances are, the answer is yes. Unless you know something I don’t, leaving a power equipment dealership on auto pilot isn’t going to work.

As you read this momentous Volume 20, you’ll surely recognize that many of the topics touch on recurrent themes from past volumes. That’s because, as much as business has changed over the past 10 years, the secrets to success really have not.

If that’s the case, why can’t you leave your dealership on auto pilot? Because the ultimate secret to success is the willingness to constantly scrutinize what you’re doing, and adapt and tweak where necessary.

This edition of *Dealer Success Guide* sheds fresh light on some tried and true topics. You’ll read how leading dealers have improved the way they coordinate and promote open houses, motivate and compensate employees, and outfit their service departments. You’ll read how the Internet is changing the way small businesses can cost-effectively market their goods and services.

You’ve heard the saying: The more things change the more they stay the same. The intended meaning was simply that things don’t change too drastically. Agreed. But I also interpret that age-old cliché this way: If you’re not willing to change, even modestly, to keep up with how your suppliers, employees and customers are changing, things for you and your business will never, ever be the same. In fact, they might be a whole lot worse.

Now that’s change you can really believe in. ■

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# Inspire Your Team, Succeed as a Business



**I**n every organization, one of the major roles of the owner or leader is to be a passion maker, developing and inspiring enthusiasm within the entire chain of command. Having an inspired staff can help you grow your business.

One of the most powerful ways successful leaders create passion is by setting up an effective system of accountability, measuring performance and taking appropriate action. Understanding the crucial role of accountability in the workplace, and using it to drive a business' success and impassion its workers, is more than possible and highly effective.

A lack of accountability is one of the biggest reasons why companies struggle and sometimes fail. Often-times, it's not managed consistently and fairly because leaders focus on the negative and punish rather than praise the positive.

In today's business environment, many owners and managers are feeling the downside to this lack of accountability as poor conduct surfaces. These business leaders need to take immediate corrective action to create strategic alignment to their vital goals and drive performance through a strong accountability system.

## THE ACCOUNTABLE WORKPLACE

One way to understand accountability is to examine a workplace that doesn't have any. Top performers get

**Become an accountability leader and inspire your team to exceed its goals and help grow your business.**

frustrated when good performances aren't recognized while poor performers aren't held accountable, and leave the company. The business then struggles to attract top talent because those types of workers want to be in an environment that values accountability.

The company without accountability doesn't perform to its potential when standards are low. Tasks and goals aren't accomplished as morale suffers.

As a result, more and more of the responsibilities weigh on the shoulders of the dealership's owner.

Accountability enables a leader to create ownership for the company on behalf of its workers. That means developing ownership for problems, successes, goals, initiatives, people and results. Accountability sets the controls in place, drives the business and indicates what is and isn't on track.

Through accountability, leaders always make three important discoveries:

- 1) **If they're on the right course**
- 2) **If they've got the right people in the right places**
- 3) **If they're achieving goals**

With these findings, leaders gain insight on instituting change and setting new objectives.

## HOW PASSION PLAYS INTO THE ACCOUNTABILITY PICTURE

Accountability holds leaders to the task of clearly defining goals for the company and its people, as well as establishing measurements to assess those goals and define success. It's this accountability that provides an opportunity to assign ownership to company and personal performance objectives, measure results, and follow through with objective evaluations.

When people own a piece in the goal-setting puzzle and achieve what they set out to do, it is highly rewarding for everyone involved. Even more rewarding is when the owner/manager follows through with positive recognition, acknowledging the staff achievements. As a result, people become impassioned about their role

in the company's welfare and their own professional development. This newfound passion is the driver for productivity. It incites people to work harder, dream bigger and excel in their role.

While accountability typically is associated with the negative, it can provide opportunities to coach and counsel an employee towards growth. It also provides leaders with the chance to develop their own skills, such as learning how to have difficult conversations about poor performance.

Accountability provides the chance for all to improve upon their weaknesses, and position the business toward a place of prosperity. It's this uplifting, highly positive experience that creates passion in the workplace. ■

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### About The Author

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Lee Froschheiser, president and CEO of Management Actions Programs (MAP), works with many business leaders and companies nationwide. He is a co-author of the best-selling book, "Vital Factors, The Secret to Transforming Your Business – And Your Life". His consulting firm, MAP, specializes in implementing the MAP Vital Factor System, which creates goal alignment and uses accountability to drive company results. For more information, visit [www.MapConsulting.com](http://www.MapConsulting.com).

## A Checklist to Creating Accountability

- ✓ Establish clear goals and expectations – Always set standards for performance, and put policies and procedures in place.
- ✓ Make sure you've got accountability leaders within the organization. These will be those managers who challenge the drive and performance of other employees and measure the results.
- ✓ Transparent, honest communication enables people to provide feedback about their performance and limit the opportunity to hedge around an issue.
- ✓ Develop and implement a follow-up system of accountability, which allows for regular meetings that measure and track performance, productivity and results.
- ✓ Focus on the vital few instead of the trivial many when setting company goals. Do the same for individual goals set by each employee.
- ✓ Put the proper rewards and recognition in place. These don't always have to be monetary in nature. Verbal praise, both in the private and public setting, is highly appreciated and motivating.
- ✓ Define ownership of each new process and procedure you establish.
- ✓ Develop the leadership pipeline. Accountability starts at the top of the organization and works itself down. Owners and managers must strive to perfect their own leadership skills and accountability before expecting others within the organization to do the same.

# How the Dealer Does It

**A**lthough each area of a dealership serves a different purpose and functions in a unique way, leading dealers are finding methods to create accountability among all of their employees.

A large part of creating accountability is rewarding good performance. Tom Rigg of Rigg's Mowers & More, a four-location dealership headquartered in Valparaiso, IN, says it best: "Whether you're a salesman, parts person or technician, I think everybody needs a goal."

## SALES DEPARTMENT

At Rigg's Mowers & More, equipment sales reps earn a commission on everything they sell, in addition to a base salary. And if they perform well according to their original sales budget, additional incentives are in place.

"Our salesmen are given goals at the beginning of each month," Rigg says. "When they reach their first goal, they are given two percent of what they've sold. When they reach their second goal, they earn another two percent. The third goal is based on the profit de-

rived from their sales. This is really important because it keeps guys from cutting prices."

It's also important that each sales rep is aware of everyone else's goals—and whether or not goals are being met. It creates healthy competition between reps, not to mention stores.

"Every month we offer another cash bonus for the store that has the most sales," Rigg says. "Instead of cash we sometimes offer up a manufacturer-supplied spiff or the opportunity to attend a sales training event, for example."

Things get tricky from time to time, Rigg points out. "It's not often, but every once in a while we'll find that customers are price shopping between our four stores," Rigg tells. Communication and the bonus based on profit help keep this in check.

## SERVICE DEPARTMENT

Generally speaking, your technicians must bill at least 50% of their total hours if you want your service department to make a profit. In Tupelo, MS, dealer

Russ Harrington of 4 Seasons Equipment wants his service department to be highly profitable, which is why he incentivizes technicians to bill at least 80% of their hours.

Each of the dealership's four full-time technicians earns a base salary. Then, each obtains a monthly bonus based on the amount they produce that month. "It's very simple: The more hours they bill, the more money they make," Harrington says. Here's an example of how it works.

HOURS BILLED	\$/HOUR BONUS	MONTHLY BONUS
<80	\$1	\$115
80-99	\$2	\$230
100-plus	\$3	\$345

*NOTE: A tech averages 115 total hours worked/month.*

"More money" definitely talks, but is not the only secret to building accountability in the service department. Harrington invests in tools and training so his staff remains equipped and inspired to perform.

"Every technician attends service schools," Harrington points out. "We try to make every one within a couple hundred miles. We also sent two of our techs to the STIHL factory in Virginia Beach to become STIHL Gold-certified."

With respect to tools and equipment, every technician has his own lift table. The shop also has a Heftee lift, which sometimes becomes an issue when more than one tech needs to use it at the same time. "We plan to invest in a second lift once business improves a bit more," Harrington says.

The shop has also invested in a laptop computer and software program from Kohler so techs can work on Kohler EFI engines. A STIHL specialty tool set is also the

property of the shop. Technicians are expected to furnish their own basic hand tools.

## PARTS DEPARTMENT

Some might refer to parts department employees as the unsung heroes in an equipment dealership. Although parts sales play a significant role in a dealership's overall profitability, parts staff are often left on their own to sort, stock and search, and occasionally deal with that unruly customer. How can you recognize and reward these critical members of your frontline force?

"The occasional pat on the back can go a long, long way," says Ernie Buttita of K&D Rent-All & Hardware in Baton Rouge, LA. "Then again, nothing is as rewarding as more money!"

Up in Benton, IL, F.B. McAfoos & Company has instituted incentives based on parts department

wherein lies the problem.

"The guys doing the receiving and dealing with all those small-dollar parts are just as important to the department's success," McAfoos points out. "Furthermore, controlling expenses, charging out freight and keeping inventory accurate are all important functions that can be overlooked if you only focus on sales volume.

"We do departmentalized accounting, so it's been fairly simple to put an incentive program together that's based on monthly net operating profit," McAfoos continues. "We always discuss asset management and margins each month before I pass out the checks. We're still making adjustments as we go along, but this program keeps all employees involved in everything—and that makes the department profitable."

Poor performance results in no incentive. Fortunately, the

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**"Controlling expenses, charging out freight and keeping inventory accurate are all important functions that can be overlooked if you only focus on sales volume."**

– Dealer Tom McAfoos of F.B. McAfoos in Benton, IL

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profitability. This has helped keep individual employees honest, and the entire team of employees working together—which would not be the case if incentives were based purely on sales.

F.B. McAfoos recently hired its fourth full-time parts person. Two of the other three have been with the dealership for six and eight years; they handle most of the management duties, in addition to ordering and sales. One does the bulk of the dollar sales volume—

"departmental profit" basis of the program keeps parts staff policing each other. "If we were to have an employee who wasn't carrying his weight, the others have a vested interest in correcting the situation," McAfoos says. "Since all sink or swim together, there is plenty of reason for each of them to want the others to succeed." ■





# "Hello and Thank You for Calling..."



**H**ere are some quick telephone etiquette tips to learn and pass along to your employees.

## DO'S

- Identify yourself; speak in a clear, friendly tone.
- Ask for permission and thank the customer before placing them on hold.
- Offer to return a customer's call if you think they will be on hold too long rather than keep them waiting. Don't forget to return the call as promised.
- Never interrupt the customer while they are talking.
- Never engage in an argument with a caller.
- If possible, provide a telephone for in-store customers to use for checking part and model numbers with someone at their home or business.

## DON'TS

- Don't let the dealership phone ring more than three times.
- Don't receive frequent personal calls at work.
- Don't answer the phone if you are eating or chewing gum.
- Don't call a customer before 8 a.m. or after 9 p.m. unless given permission to do so.
- Don't loudly type or shuffle papers while you're on the phone unless looking up that customer's repair or parts order information.

## TAKING MESSAGES

1. Record the time and date of the call.
2. Verify the caller's name, phone number and best time to call them back.
3. Write a brief description of the reason for the call.
4. Initial messages so any questions can be directed toward the message taker. ■

# How to Keep Your Employees **HAPPY** and **PRODUCTIVE**

Doing so could keep your business successful in even the worst situations.

**I**n light of today's economic landscape, it's more important than ever for companies to have happy and productive employees. When employees are loyal and engaged in the company, profits can be higher. When people feel unmotivated or undervalued, the company suffers. Studies show that engaged employees miss less work, perform better, and are supportive of changes and willing to make them happen.

However, keeping employees happy in any economy is hard work. If the workplace is stressful, employee production goes down. Happy employees are satisfied and feel a sense of accomplishment in their work. They like themselves and what they do, and find satisfaction from their work. Such feelings reduce stress, which is a major factor of productivity. In order to make your workplace one where happiness and productivity thrive, consider the following guidelines.

## **BE A GOOD EMPLOYER**

A "good" employer is one who sets clear expectations for employees, including what is to be done, when it is to be done by, and where it goes after they complete their responsibilities. Within these expectations, you need to set clear boundaries, demonstrate healthy leadership and provide sound direction. This means spelling out rules, regulations, policies and procedures.

You can usually accomplish this by creating a com-

prehensive employee manual, but should also use the personal touch by talking with employees in group and one-on-one settings. Whatever expectations you set, make sure they are consistent with all employees. The more issues and expectations you outline, the fewer problems arise, which leads to productive workers.

## **HELP EMPLOYEES FEEL VALUED**

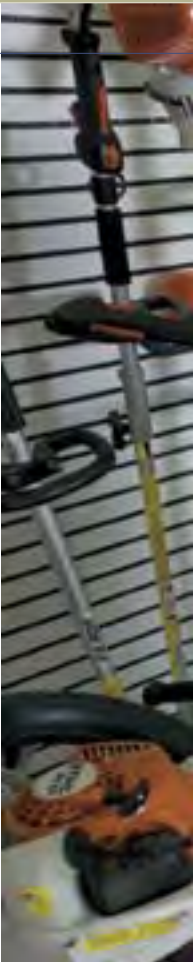
Be encouraging to your employees and offer praise when appropriate. Thank them for doing a good job and let them know that you value them.

Should something go wrong or someone make a mistake, don't punish the person. Rather, talk to them, teach the correct procedures, and offer encouragement and further teaching when needed.

Remember that punishing people only makes things worse in that the employee may become angry and bitter, not motivated to change or improve. If errors continue after correction, then you may need to evaluate that person to make sure he or she is a good fit for the job.

## **GET PEOPLE INVOLVED**

Help employees feel involved by holding regular meetings where everyone can voice their opinions and concerns. This has an added benefit in that the company can gain valuable information about products and concerns that could hurt the bottom line.







Duane Nolden (back) and Ed Prochaska are the owners of Middleton Power Center in Middleton, WI, a 2006 Dealers in Excellence Award finalist.

## Create a Productive Atmosphere

The physical layout of a workspace is important to maximizing productivity. People need enough room to work, the correct supplies/materials, and a comfortable and pleasant environment.

Make sure all equipment and storage in the parts and service departments are designed to make employees' jobs easier.

There are many things you can do outside of lifts and parts bins to improve the work environment.

- Make sure your employees are breathing healthy air. Change air filters regularly, and if the weather permits, keep windows or doors in the shop open.
- Utilize real sunlight when possible. If workspaces don't have window access, install full spectrum or plant light bulbs in all fixtures, including overhead fluorescent lights.
- Offer healthy food choices in the vending machines or break room. Healthy food helps people think better, improves mood, and increases energy levels. Do a healthy food challenge at work to encourage people to eat better, and pick up a healthy lunch for all once a month.
- Make the workplace family friendly. Life balance is a major stressor for people. Allow workers to take time off for school events or to stay home with ill children. Offer resources and referral services and/or dependent care assistance plans.

Also host special events where the family of employees can be involved. The more sense of family you can create, the more productive people should be.

Another great, fulfilling way to encourage employees to spend their time is by volunteering. Have a designated charity where they can donate both money and time. Research indicates that people feel better and have better lives when they volunteer. It also helps the dealership's bottom line by increasing employees' performance and demonstrating to the community that the company cares.

## KEEP THEM HAPPY, KEEP THEM WORKING

When workers feel that they are a dynamic and essential part of the team, they are more productive and willing to go the extra mile for customers and co-workers. Therefore, give praise openly, set goals appropriate to the work, and always take your employees' needs seriously.

By respecting and listening to your staff, you'll be giving them the motivational push they need to stay loyal and committed to the company's goals. When you have a happy and productive workforce that is eager to contribute, your company can weather any storm. ■

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### About The Authors

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Dr. Donna LaMar and co-founder Betsy Laney are psychologists who created The Farm, an educational, mental health and preventive program for youth and families.

# Clear Financial Policies **Keep Customers COMING BACK!**



*financial guidelines*

**I**t's true that most people who owe you money typically don't like you. They feel guilty if they're late with a payment and burdened that they've procrastinated. While they know it's not your fault, they still feel pressured and unhappy.

Today's clients are more stressed than ever about finances. If you want to avoid this stress, take the following steps to clearly outline your company's financial policies. Clear financial policies are an integral part of customer service, especially when presented by a warm, empathetic and knowledgeable staff. In addition, for a policy to be effective, it must be well understood by the staff and backed up by the dealership owner and manager.

## **RULES FOR ACCOUNTS RECEIVABLES**

As a basic guideline, your accounts receivable (AR) balance should not exceed one-half to one month of sales.

- ✓ Run a clean AR report that does not include credit balances, and proceed to analyze the 60-day-and-over column, as well as the 90-day-and-over column. In general, the 60-and-over column should not be more than 4-6% of what your clients owe

you. The 90-and-over column should not be more than 2-4% of your AR.

- ✓ Run a past due report and make follow-up calls for any accounts that are 30 days past due.

- ✓ The owner's role is to hire, train and provide oversight for your financial health. Even with the best manager, the dealership owner should still be involved. The owner should review the AR on a monthly basis, or more often if it needs additional attention.
- ✓ If your AR balance is less than one-half of your typical monthly sales, your financial policies may be too firm and sales staff may be unintentionally running clients off. On the other hand, for your established contractor or consumer customers, you might consider flexibility in payment if they have demonstrated a good history. If you do offer financial options, do not extend them for more than





three months. Verify the credit history of the client prior to advancing credit.

### TIME TO COLLECT

Sit down with your sales and service department staff to write out dealership financial guidelines. The collection of money owed is the responsibility of the entire staff. Once the guidelines are created, everyone needs to approve and own up to them so there is no room for customer

*Sit down with your sales and service department staff to write out dealership financial guidelines. The collection of money owed is the responsibility of the entire staff.*

dispute. If financial policy is changed, it is advisable to draft a "change of policy letter" for staff and customers.

These are just some of the guidelines you will need to define with your staff. There is much more

to consider: verbal skills, past due accounts receivables, how to connect with the client, and how to express warmth, empathy and concern. Firm, consistent financial policies are a great start to offering the financial service that your customers deserve and expect. ■

### About The Author

Dr. Rhonda Savage is speaker and CEO for a well-known practice management and consulting business. Dr. Savage is a noted speaker on practice management, communication and leadership. For more information on her speaking, e-mail rhonda@dentalmanagementu.com.

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**Getting your late-paying customers to pay on time can protect you and your business.**

**Y**our business was running smoothly as sales and profits grew. Then the credit crunch hit and everything started slowing down almost overnight.

### **THE DANGER OF DEPENDING ON CREDIT**

Most dealers don't realize how dependent they are on credit to run their businesses. When collections roll in on time, it all seems to work out nicely. But when collection slows down, you still need to pay for and replace equipment and parts sold, pay your workers, and pay the rent and all the other general expenses of running a dealership.

Assuming your bank credit lines are in place and your margins are adequate, you can have a bit higher interest expense, and still ride it out with your customers. However, if your credit lines or cash reserves aren't sufficient to cushion you from the sudden change in cash flow, your business could be in big trouble. Most bad debt write-offs come from old balances, not current ones. The older the balance, the higher risk it will never be collected.

The best way to protect your business is to encourage your customers to pay on time. Here are five ideas to encourage them to do just that.

#### **1. IMPROVED CREDIT-GRANTING**

Begin by screening new customers more closely before granting a credit line. Spending a few extra dollars to get a credit report, and a few minutes calling a

couple credit references, can go a long way. Listen for information about their payment patterns and red flags about struggling to keep current.

#### **2. COMMIT TO COLLECTION AT ALL TIMES**

Make collection follow-up a key duty of at least one person on your staff. Assign the job to someone who is a good negotiator, has an amiable but firm phone personality, and who understands this is a key job. Most importantly, do what you say. If you promise something in return for prompt payment, make sure you deliver.

If your collection practices have been lax in the past, a culture change may be needed in the minds of your customers, who may be tempted to "wait you out" to see how long the new rules will stick around.

#### **3. CALL AHEAD TO BE SURE THEY'RE READY TO PAY**

Have your collection person call the customer a few days before the due date for payment, "as a courtesy" to your customer. Make sure everything is in order, there were no problems with the paperwork, and the check will be going out on time. This little reminder, when positioned with friendliness and desire



to help, can make a friend of the person who actually cuts the check.

#### 4. DISCOUNTS FOR PROMPT PAYMENT

Consider offering customers a discount when they make payments in a timely manner. You can discount it in any way that makes sense as a dealer, but the key is getting the customer to understand the value they get from paying promptly. Many municipal accounts are required by their policies to take advantage of such discounts.

#### 5. DEVELOP A PREFERRED CUSTOMER PLAN

Consider a special program for “special” customers: free overnight delivery on rush parts orders, extra discounts, advance notice of price changes, special sales,

etc. Promote this as a customer benefit and make it available only under certain conditions, one of which would be consistent payment in accordance with your terms.

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***Most bad debt write-offs come from old balances, not current ones. The older the balance, the higher risk it will never be collected.***

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Don't make sheer order volume a condition if your low-volume consumer customers produce higher margins, as is often the case. A small invoice that is paid on time is a blessing compared to a large one that takes 90 days to come in.

Make the conditions list beefy enough that it doesn't look like a poorly disguised collection program. Use it as an opportunity to reward the customers you enjoy doing business with, especially those who pay on time every time.

You can appreciate your customers' dilemma in trying to stretch their cash. However, that's not the same as agreeing to be their interest-free banker. You can extend their payment terms, as many companies do at times like these, but in the end you still need to collect your money by a date you can count on.

Follow the suggestions here and you can be a better-positioned company when the economy turns around again. ■

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#### About The Author

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Gene Siciliano (CMC, CPA) is an author, speaker and financial consultant who works with CEOs and managers to achieve greater financial success in an ever-changing economy. Gene's book, "Finance for Non-Financial Managers," (McGraw-Hill, 2003) is available nationwide in bookstores and online. To learn more, visit [www.GeneSiciliano.com](http://www.GeneSiciliano.com).





# The Three Keys to Growing Your Business

Grow your business by investing in employees, helping customers and knowing your finances.

**E**verything you need to thrive, even during tough economic times, is well within your reach. You simply need to look at things from a different, more positive perspective. Consider the following suggestions for growing your business through building on what you already have.

## UTILIZE AND INCREASE YOUR GREATEST ASSET

Any company's greatest asset is the people who work there. No matter how the economy is doing, and the number of customers coming through your dealership door every day, you need to be getting the most you can out of your staff. It is necessary to continuously educate and invest in your staff.

Keeping up with technician training schools and customer service training can increase your dealership's productivity and enhance your management skills.

In addition to training and educating staff, you also need to motivate and inspire your team. Empower them by constructing a mission statement that you and your team can focus on. When you have a mission clearly stated, you'll have employees who aren't just showing up for a paycheck; they are inspired and eager to go to work.

## SUPPORT CUSTOMERS, CREATE LOYALTY

Meeting the needs of customers is no longer enough to win them over. What additional services can you

provide for your clients that are a minimal cost to you but have a high value for your customers? You could consider offering to educate consumer and commercial customers on basic equipment maintenance.

Hosting small courses at your dealership is a great way to get customers into the store while showing you care that their equipment is taken care of properly. You can merchandise pre-made maintenance packages for them to purchase that contain oil, filters, belts, spark plugs or trimmer line. Send customers a reminder in the mail or give them a quick phone call when spring and winter maintenance is advised to show customers you are once again thinking of them.

Customers can conduct minor maintenance procedures—those that offer you little profit—on their own, while leaving the larger high-margin repairs to you. By offering customers direction with repairs, you are also helping yourself in the end by avoiding low-profit repairs.

## KNOW YOUR FINANCES, GROW YOUR BUSINESS

It's easier to grow your business's profits when you truly understand your finances and expenses. Many people fear the unknown, and many dealers and small business owners fear financials. The new model of business success is being built on financial understanding.

Understanding your finances allows you to:



# Bob's Business Tips

## Maintaining your customer service edge when the heat is on.

**B**usiness trainer Bob Clements is providing free monthly tips at [GreenIndustryPros.com/ProCast](http://GreenIndustryPros.com/ProCast) (to narrow your search, click on "ProCast - Yard & Garden" at left).

On February 23, Bob talked about the challenges dealers face once the season kicks into high gear. One of the biggest challenges is staying true to your pledge of providing the absolute best customer service in town. You're going to get busy—really busy. It's going to get hot. Customers are going to aggravate you. But how you and your team handle each "situation" is critical to the long-term success of your business.

If you want to maintain your customer service edge, keep these five things in mind as things start to heat up this spring.

### ✓ Keep Every Customer Happy

– As dealerships grow, it's easy to slip into the trap of thinking that it's OK to lose a customer here and there. But that line of thinking can yield a death blow in a short matter of time. Remember when you were a small dealership just starting out. Every customer was your most important customer. That's how you have to think in today's climate.

✓ **Train Your Employees** – If you expect your staff to help you provide the best customer service in town, you must provide the tools and training to help them become customer service superstars. For instance, articles in this and past editions of *Dealer Success Guide* should be shared with staff. Have short meetings/training sessions to talk about customer service do's and don'ts. There's a training module at [BobClements.com](http://BobClements.com) that can

help you learn how to deal with upset customers. The list goes on ... so take advantage of whatever you can.

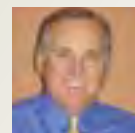
✓ **Empower Employees** – Once your employees are properly trained, you must give them the freedom to handle bad customer experiences. When employees are empowered to help you execute your customer service strategy, they will embrace that strategy with open arms.

✓ **Reward Performance** – When your employees go above and beyond in the way of customer service, recognize and/or reward them. For example, many successful dealers will give an employee a small token of appreciation, such as a gift certificate to an area restaurant, when a customer remarks on how wonderful that employee has treated them.

✓ **Recognize That Satisfied is Not Loyal** – Just because a customer is happy does not mean he will remain loyal to your dealership. Satisfaction could result from you providing the lowest price. Loyalty results when you exceed the customer's expectations—and that only happens when you make a real connection with that customer. This is as much a relationship business as it's ever been.

### Resources:

Bob Clements is the president of Bob Clements International, a consulting firm that specializes in the development of high-performance dealerships. For more information, contact Bob Clements by calling (800) 480-0737 or at [bob@bobclements.com](mailto:bob@bobclements.com).



- Set a budget
- Make educated decisions
- Set goals for business growth
- Evaluate success vs. failure

Many articles in this issue can help you develop financial policies and communicate those policies with customers and staff (see previous pages 10-13). To better understand your company's finances, you can hire an accountant or financial consultant.

If you'd like to start small, there are several free online resources available. The Business Owner's Toolkit ([www.toolkit.com](http://www.toolkit.com)) offers tools for understanding basic bookkeeping, creating balance sheets, and also preparing and understanding financial statements. Once you better understand the finances, you can take action and look at new ways to increase cash flow and reduce overhead while maintaining customer satisfaction.

Many dealers may feel they can only grow their business with an increase in sales, but by focusing on employees, customers and finances, you can build on what you already have. ■

### About The Author

Stephen Edwards is a financial coach and author who implements the financial and personal success principles he learned from working with today's leading influencers. Stephen hosts financial literacy events, teaching people to invest in themselves and their futures. Visit [myquantumwealth.com](http://myquantumwealth.com) for more information.

# Increased Durability. Improved Technology. Reduced Maintenance.

Give your customers the performance they need with the value they deserve.

## NEW STIHL SE 61 and SE 122 Wet/Dry Vacuum Cleaners

### Durable. Low Maintenance. Efficient.

The new STIHL SE 61 and SE 122 wet/dry vacuum cleaners feature a high-efficiency filter and cleaning system that require less maintenance and less down time.

#### STIHL SE 61

- **Universal, swivel, wet/dry head—to clean a wet or a dry surface with ease without removing the filter**
- **Aluminum tube—more durable than plastic tubes on competitor models**
- **For homeowners and do-it-yourselfers needing versatility for cleanup around the home and garage**

#### STIHL SE 122

- **Stainless steel vacuum tube—more durable than plastic tubes on competitor models**
- **Foot-activated depth control makes it easy to switch from one surface type to another without stopping**
- **Pleated PET air filter, fleece vacuum bag, and built-in filter cleaner require less maintenance than other vacuums**
- **Great for auto cleaning crews, building maintenance crews, wood turners and hobbyists—anyone needing superior suction power**



Visit [yardngarden.com/einquiry](http://yardngarden.com/einquiry) and enter #302

## NEW STIHL MS 311 and MS 391 Chain Saws

### Tough. Efficient. Powerful.

Introducing two new mid-range chain saws designed for environmentally-conscious professionals and homeowners for firewood cutting, storm cleanup and other tasks. Featuring STIHL low-emission engine technology, the MS 311 and MS 391 improve fuel efficiency by up to 20% and reduce emissions by up to 50% as compared to previous models, meaning longer run times between refueling, and lower fuel costs.

- **Pre-separation air filtration system, requiring fewer filter changes, allows for longer run times between maintenance**
- **Advanced anti-vibration system increases comfort and lessens operator fatigue**
- **Platform design concept allows for streamlined parts and maintenance**



Visit [yardngarden.com/einquiry](http://yardngarden.com/einquiry) and enter #303

## NEW STIHL MS 362 and MS 362 C-Q Chain Saws

### Engineered for Efficiency.

The new STIHL MS 362 professional chain saw delivers an ideal combination of torque, power, fuel savings and weight, for logging, thinning, arborwork, and large firewood cutting jobs. Because of the low-emission, fuel-efficient engine technology, customers will use up to 20% less fuel and produce up to 70% less emissions as compared to previous models.

- **New pre-separation air filtration system allows fewer filter changes for longer run times**
- **Advanced anti-vibration system allows customers to work comfortably for longer periods of use during most applications.**
- **STIHL MS 362 C-Q model includes the STIHL Quickstop® and a second manually-activated chain braking system**

Visit [yardngarden.com/einquiry](http://yardngarden.com/einquiry) and enter #304



## NEW STIHL FS 70 RC-E String Trimmer

### Fuel Efficient. Durable. Lightweight.

Customers can save time and money with the new STIHL FS 70 RC-E grass trimmer. Featuring a low-emission, fuel-efficient engine for longer run times between refueling, up to 28% less fuel consumption and a low weight of 10.6 pounds, the FS 70 RC-E is engineered for the professional user trimming all day.

- **STIHL Easy2Start™ system makes the starting process almost effortless**
- **Semi-automatic choke lever creates a smoother start and helps prevent flooding**
- **Easy-to-use, low-maintenance TapAction™, 2-line AUTOCUT® head**
- **High durability, forged connecting rod and four-bearing gearbox for longer service life**

Visit [yardngarden.com/einquiry](http://yardngarden.com/einquiry) and enter #305



## Introducing a Warranty as Tough as Our Products

### 2-Year Limited Warranty Now Available on Trimmers, Brushcutters, Blowers, Sprayers and More!

STIHL ups the standard – again. It's not enough to be the number one selling brand of chain saws and cut-off machines worldwide. STIHL continues to raise the bar with a 2-year limited warranty coverage on STIHL lawn care products and other selected power tools for homeowners and commercial users alike, extending the coverage period for defects in materials and workmanship. Add on the benefits of the industry-leading extended warranty coverage STIHL customers presently enjoy, like lifetime drive shaft coverage, lifetime clutch warranty and more; and customers have another reason to trust legendary STIHL equipment and service.

**STIHL®**



# What's in Your Shop?

One of the industry's top dealers offers a look at what's inside his shop that helps it run like a well-oiled machine.

**T**im Peterson has owned his San Luis Obispo, CA, dealership since 1985. Since then he has continuously invested in technology and tools in the service department, focusing on the dealership's profit center.

He has paid special attention to providing technicians with tools to make their jobs easier and their work more efficient. Their work mirrors the clean and organized shop. Here is a peak into his service department and what helps it run smoothly and profitably.



## FLAT LIFT

The shop has a flat table lift that was designed for use in the motorcycle industry. Many people buy them for outdoor power equipment to be able to raise lighter machines (750 pounds). "We actually use it for quite a few different things other than just working on our power equipment," explains Peterson. "It works nicely as a workbench too."

## SHOP LIFTS

"Lifts are something that we use every single day all day long," says Peterson. "It's nice not being on the ground. Efficiency goes up a lot and technicians' backs and knees are protected."

The lift located in the center of the shop can be raised overhead allowing the technicians to quickly complete underbody repairs without lying on the ground. Width and length can be adjusted as needed, and it has the capacity to hold up to 2,000 pounds.



## EVERYTHING IN ITS PLACE

"What means more to me than anything is a clean shop," says Peterson. "My grandpa always told me that if you have a clean shop you do clean work. That goes back to safety as well." All hand tools are organized on the peg board, keeping the work stations clean. Having everything in its appropriate place makes tools easy to find, helping efficiency.



## COMPUTERS

There are 13 computers in the store, all equipped with Ideal Computer Systems software. Four computers are located in the shop and two in the parts department, which is right next to the service department. "Each tech has their own computer at their workstation for accessing work orders, and look-



ing up and ordering parts without having to leave their bench," says Peterson.

A parts picker delivers specialty parts to technicians, while frequently used things like spark plugs, trimmer line and fuel filters are located in the shop.

## SAFETY FIRST

Peterson once tripped over an air hose lying on the floor of the shop, spraining his thumb and rendering him useless in the shop for days. The shop now has retractable hoses and better organization to keep things off the floor and work surfaces.

Plywood was installed to cover the front of all the benches to prevent techs from storing things there haphazardly.





# 10 Times the Response of Direct Mail Marketing

**E-communications can cut through a mountain of media clutter.**

**C**ontent-driven, lifestyle-oriented e-communications are becoming more widely accepted by consumers. When produced professionally and managed attentively, they can become an effective marketing solution for service providers such as equipment dealers and landscape contractors.

## PURE PROMOTIONS RARELY WORK

Purely promotional emails are not very effective, says Dave Fish of IMN, a content-driven e-communications company based in Waltham, MA. Promo-only emails often result in a high number of recipients who “opt out,” or unsubscribe from the list.

“You can erode your email base by 2/3 in a year by putting out thin, promotional emails,” Fish points out. “Because email marketing is so cost-effective, you certainly don’t want to throw this opportunity away by turning off your audience.”

## CONTENT IS THE KEY

You can hang onto more than 90% of your email base when you provide useful content. Professional, high-quality content that is easy to read, listen to or watch accomplishes a number of things:

- Surprises your audience because they’re used to getting promos all the time
- Engages your audience because there is interesting content to hold their attention longer

- Helps you stand out from other businesses that are just sending promotional emails.

## THE RIGHT FREQUENCY IS VITAL

Send out your e-communications monthly, Fish advises. Quarterly can be too infrequent, causing a larger percentage of your audience to forget about you and opt out. On the other hand, more often than monthly can be too much.

When you send quality content on a monthly basis, Fish says the following are realistic goals:

- Less than a 1% opt-out rate each mailing
- At least a 20% open rate each mailing

“Direct mail typically generates a 1-2% response rate,” Fish points out. “So I think you’ll agree that taking the time to get this e-communications thing right is well worth it.”

## MEASURE TO SEE WHAT WORKS

Measuring your content to determine what is being read is an essential part of “getting it right.” Companies such as IMN can help with this. “Our unique tracking tools can help you learn what your customers care about most,” Fish explains.

Content can include information specific to your industry or company, such as mower maintenance tips.





If it's informative and engaging, it can work.

"Content that's not so obvious can also work very well," Fish points out. "For example, we do some ezines for several auto dealerships. Movie reviews are actually very well-received by their customers."

Don't be afraid to try new things you believe could be of interest

storage. Perhaps you could work in an offer to store the customer's equipment at your facility, or invite the customer to take advantage of your winter service special to get their mower ready for the next mowing season.

A landscaper outside the snowbelt might talk about winter lawn care do's and don'ts. A landscaper

Fish says. This is less time-consuming than writing and editing copy. Plus, it's more entertaining for the audience. So hopefully you have the capability of shooting short videos and uploading them to your computer."

A third party such as IMN can help create your content. "As an email service provider focused on vertical markets, we can source the content and get it ready to go, including video," Fish says. "You can add your personal message if you want to. We can create ezine editions specifically for smartphones, so the usability is there in the small-screen environment. We also provide the capability of having your coupon or special offer texted to your customers' phones."

For \$50-\$100 a month, Fish says a small business can obtain these services from IMN. A small business generating its own content, and only in need of an email platform, could expect to spend \$10-\$20 a month.

In either event, when compared to most other forms of marketing, content-rich e-communications can prove to be a very cost-effective way to develop loyal customers and engage new ones. By carefully balancing quality editorial content with your special offers and promotions, you could be well on your way to finding the marketing solution you've long been looking for. ■

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#### Resource:

Dave Fish is CEO of IMN, a content-driven e-communications company based in Waltham, MA. He holds a B.S. degree in computer science and electrical engineering from Massachusetts Institute of Technology, an M.S. in information sciences from Harvard Graduate School of Arts and Sciences, and an M.B.A. from Harvard Business School. Visit [IMNinc.com](http://IMNinc.com) for information on how IMN can help you create and deliver content-rich e-communications to help you grow sales.

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*When compared to most other forms of marketing, content-rich e-communications can prove to be a very cost-effective way to develop loyal customers and engage new ones.*

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to your audience. But be careful. Measure their effectiveness so that, if they're not popular, you stop doing them before you lose subscribers.

Focus on what's working and drop what isn't.

## INCORPORATING SPECIAL OFFERS

Special offers and promotions should still be a part of your e-communications effort. The trick, according to Fish, is to work them in tastefully.

"You can hang onto consumers longer when you give them quality content," Fish says. "This is great news because that means you have more time to pitch them your products and services.

"We think of a three-layered approach," Fish goes on to say.

- Strong editorial that engages and retains the audience
- A "soft sell" such as educational information aligned with what you want to promote
- A hard call to action

For example, if you were an equipment dealer inside the snowbelt, you might use your December ezine to talk about preparing lawn and garden equipment for winter

inside the snowbelt might talk about snow and ice management tips. In either case, it's perfectly appropriate to invite customers to take advantage of any service specials you're offering in these two areas.

"Coupons and special offers are still very important," Fish reminds. "This is especially true these days with more consumers on the lookout for a deal. But special offers can't be the only thing you do. You still need that first leg: strong editorial content."

## CREATING CONTENT-RICH COMMUNICATIONS

You can incorporate content from other sources into your ezine.

"Be aware of copyright laws," Fish warns. "You can't just grab anything and everything you find on the Internet. But there could be some copyright-released sources they could explore. It's also OK to summarize certain copyrighted works and then link to them."

Creating your own content can be very effective. The biggest challenge is often finding the time.

"Using video or audio as the core of your ezine is a great approach,"

# The Five W's of a SUCCESSFUL Open House

The who, what, when, where and why of hosting a successful and profitable open house.

**A**n annual open house is a tradition that most dealers take pretty seriously. It's their chance to bring in new and old customers to see what products and services the dealership has to offer. When done right, a dealer open house results in a strong sales effort and countless customers who feel appreciated and taken care of.

## WHO

When hosting an open house, there are typically three "guest lists" for dealers to choose from: residential customers, commercial customers, or residential and commercial.

"Usually our open houses are strictly for the commercial cutters, but this year is our anniversary year so we are opening it up to area homeowners and businesses too," says Linda Remick, marketing and communications manager for 20 years at A to Z Equipment Rentals & Sales with several Phoenix-area locations. "We want them all to see what we offer the community."

"I invite any commercial accounts, municipalities, government organizations, schools and apartment complexes," says Brian Steensma of Steensma Lawn & Power Equipment in Kalamazoo and Plainwell, MI.

The Steensma Lawn & Power commercial open house

isn't advertised to the public, but passersby who wish to stop in are welcomed warmly. If they'd rather wait, they can attend their own open house in April.

"We do a residential open house the last weekend in April that we do advertise," explains Steensma. "It is not as elaborate, but we do offer refreshments and a hot lunch. Customers can also take advantage of free tune-up kits with an equipment purchase."

Existing and potential customers are not the only special attendees of an open house. Territory managers and consultants are also often a fixture. Remick reports that A to Z, like most dealers, will have distributors come to their open house to offer training sessions on equipment operation.

## WHAT

An open house is a great way to get potential customers and existing customers into the store. "We advertise heavily with in-store signage, statement stuffers and large tab-size mailers asking about 12,000 landscapers to join us for our open house," says Remick. "We offer four or five discounted items and host games for winning coupons or discounts, T-shirts, hats and hand tools."

Trying to keep the event profitable, Steensma won't



2009 COMMERCIAL OPEN HOUSE  
TUESDAY, MAR 17 • Plainwell Location  
THURSDAY, MAR 19 • Kalamazoo Location  
9AM TO 5PM

- Factory reps on site to answer any questions
- Steak dinner from 11am to 1pm
- Door prizes and factory giveaways
- Special financing available on site!!
- Best pricing on equipment all year...so don't miss it!!!

NO RSVP NECESSARY

FOR QUESTIONS PLEASE CONTACT BRIAN STEENSMA  
269-375-6476 or email: brian@steensmalawn.com



give up too much to get a sale at his open house. “We don’t wholesale-slash prices since it is equipment they need anyway,” he explains. “We will offer \$200-\$300 off a piece of equipment to give them enough incentive to buy, but we still make money on it.”

Steensma also offers a 10% discount on popular parts. His invitation to the event makes parts ordering quick and easy. “With our open house invitations, we send an insert with a parts list of all the popular blades, bearings, filters, etc.” explains Steensma. “Contractors can fill out the order form ahead of time and drop it off when they get to the open house.” As the contractors take in the open house offerings, the parts team at Steensma pulls together their parts orders into a neat package.

## WHEN

When timed right, an open house can be a great way to get customers excited about the upcoming cutting season. “We like to have them late enough where the commercial guys feel comfortable with the contracts they have coming in, but early enough where they can buy and not feel rushed,” says Steensma.

Most dealers agree that the best time to host an open house is in the early springtime. “It’s gotten harder to get people to come in for an open house,” says Remick. “We used to host two a year but have cut back to one in the spring since

attendance has been down and we aren’t getting the response we used to.”

Fall is a good time for residential open houses and getting all customers ready for the winter months and snowthrower maintenance or repairs.

## WHERE

Depending on the weather, an open house can be hosted indoors, or for more space and room to play with, out on the lot. Supplier booths and tables for eating can be set up throughout the lot. Multi-location dealers may choose to have an open house at one or several locations depending on size and traffic.

“We host an open house at each location,” shares Steensma. “Our Plainwell location is not as big so we host a one-day show there, and then a two-day show in Kalamazoo. The two-day event gives us a little wiggle room in case there is snow one day and our commercial customers are busy plowing.”

This year is a special anniversary year for A to Z so they will host an open house at each of their three stores.

## WHY

Hosting an open house isn’t just about selling equipment, but also about showing customer appreciation. “We like to go above and beyond and serve our customers a steak dinner,” says Steensma. “We

## Take-Home Points

- An open house can be a great way to get potential and existing customers in the store. It is a great venue for strong sales, but also to show customers your appreciation.
- In-store and local paper advertising is ideal for public open houses. For a commercial open house, send personal mailers to existing accounts and area municipalities.
- It’s a good idea to give customers incentive to buy equipment by throwing in a tune-up kit or knocking a little off the price, but you want to remain profitable in the end.
- Host the event in the store or on the lot with refreshments, as well as vendors available to answer attendee questions.
- Pinpoint the best spring-season weekend to hold your open house, when your commercial cutters aren’t busy yet, but are ready to make an equipment purchase to get them through this year’s accounts.

try to use it as a customer appreciation day rather than just an opportunity to push iron—so the guys feel like we treat them well.”

The what, when, where and why of an open house are all very important. But it is the who that matters most. In hosting your open house, the most important thing to focus on is the customers. The open house is a tradition made fruitful by their participation. ■





# SUCCESS **With**

**One Michigan dealer has figured out how to make flyers work for him as a cost-effective and powerful way to bring customers to his dealership.**

**F**lyers are a great form of advertising for your open house, and throughout the year, to attract customers, and showcase products and services.

What elements to include in a flyer depend on the purpose of the mailing. A flyer from Steensma Lawn & Power Equipment was featured in our open house article on page 22 and on this page. Brian Steensma does flyers mainly for open house occasions, and has it down to a system of what to include that works for him and his business.

## CONTENT

For his spring and fall open houses, Steensma sends customers an 11x17 piece of paper folded to have six different sides. "We keep the flyer looking the same each year," says Steensma. "That way, customers know what to look for when they receive it and won't mistake it for junk mail and throw it away."

For the spring open house, which is hosted for commercial customers only, he starts out with a letter, discussing the previous year and thanking customers for their support.

"We treat the flyers and open houses as more of an opportunity to thank customers for their business rather than asking them for more," says Steensma. "We thank everyone for their business and encourage them to come in and give us feedback."

Most dealers will feature new or marked-down products in their flyers. Steensma chooses to feature just a few choice products. "We used to do a lot more products in the flyer," says Steensma. "Now we just offer a quick rundown of the new products being offered by manufacturers, and one page will feature 3-5 specific



product specials we have going on at the time."

As discussed in the open house article on the previous pages, Steensma also sends commercial customers a list and order form with popular parts, making it easier on them to get what they need.

## CUSTOMERS

Steensma's customers sign up in the store to be on his promotional mailing list. His database currently has 43,000 names and addresses, though he rarely

# Direct Mail Flyers

sends mailers to the full list. For the commercial open house, he will send flyers to 2,200 commercial accounts.

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*The response rates you get and how viable a tool a flyer is depends on your market.*

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Steensma estimates he receives a 25-26% return on the money he invests in flyers. "Of the 2,200 commercial customers we send an invite to, 600 will show up at our open house," says Steensma. "The company we work with will add a first name to the mailing for a better response."

The response rates you get and

how viable a tool a flyer is depends on your market. "It depends on where you are regionally," explains Steensma. "For our more rural location, we use the local paper and flyers for advertising. But the Internet is definitely showing more of a presence."

## CREATION AND COST

Using a printing service to have your flyers created can be more cost-effective, especially as your mailing list grows. "It's not cheap, at \$1,000 for printing and mailing, but in the realm of advertising it's not that much money," says Steensma. "Every year the amount we mail goes up, and so does postage. We save by having them bulk mailed at the printer."

His first few years sending out

flyers, Steensma and staff handled the mailings on their own. (See the below sidebar.) With 700-800 invitations, the cost of paper, envelopes and postage really added up.

"Doing it ourselves became too much," says Steensma. "When you add it all up, vs. doing the mass mailing with labels and bulk postage, it is more cost-effective for us to pay to have it done."

Steensma also saves on valuable time by not doing the mailing in-house. An even more affordable option would be taking advantage of mailer and postcard programs many manufacturers offer.

Whether doing a mailing in-house, through your manufacturer or hiring it out, keep an eye on costs, content and what works for your target market. ■

## Create Your Own Flyer in Microsoft Word

**Step 1** - Begin by thinking about what you want to include in your flyer design. Think about your target market, colors and pictures you want to use, and what information you will include.

**Step 2** - Open a new Microsoft Word document. Type in what information you decided you wanted to include on your flyer.

**Step 3** - Under the **Home** tab at the top of the screen, you can change the font, size, and color of your letters. You can bold, underline, or use italics to make certain words or sentences stand out.

**Step 4** - Click on the **Page Layout** tab and choose "page borders" from the page background section. Here you can choose the color, style, width, and location of your border. Click **OK** when you are done.

**Step 5** - Click on the **Insert** tab. Here you can choose to insert clip art, pictures, charts, or tables into your flyer. To insert any of these items, simply click on whichever you would like to insert (there is an icon for picture, clip art, shapes, chart, word art, etc.). By clicking on any one of these, a menu will pop up or drop down on your screen. Choose what you would like to do from that menu.

**Step 6** - Adjust the size of your inserted graphic by lining your cursor up at one of the corners of the box that surrounds your image. Left-click on your mouse, hold and drag the corner of the box until you are happy with its size.

**Step 7** - Run a spell check on your flyer to avoid any embarrassing errors. Click the **Review** tab; you can find spell check at the far left.

**Step 8** - Complete a final review of your flyer to see if the layout suits your needs. Click on the **View** tab and then on "full screen viewing." This will give a view of what your flyer will look like. If you are satisfied, click on **Save**. If you would like to go back for more editing, hit the "Esc" key on your keyboard. ■

# Employee Handbook How-To

**Creating and implementing an employee handbook can help you better manage your business and get more out of employee performance.**

**E**ven though they may be unaware of the benefits of having one, many dealers realize they should have an employee handbook. Creating one can be simple, and when done properly, save you a lot of trouble.

“An employee handbook will not make you more money, but it will eliminate a lot of headaches,” says Bob Clements of Bob Clements International. “Most small business owners dislike dealing with employee issues. A handbook helps.”

## **WHY A HANDBOOK IS HELPFUL**

As Clements explains it, many business owners expect their employees to think the same way they do about running a business, and offer little instruction.

“The reality is that if our employees thought like us they would have their own businesses,” says Clements. “So with an employee handbook we have the ability to clearly define, communicate and standardize what we as owners expect of our employees.”

An employee handbook also answers questions about things such as time off,





dress codes, acceptable behavior and discipline policies, before they are even asked. If it is thorough enough, it isn't necessary to have a separate handbook for each department.

"Dealers should make sure that they have job descriptions and expectations for each position in the dealership, which feed into the policies outlined in the employee handbook," says Clements.

## IMPLEMENTATION & CREATION

Creating an employee handbook is a smart step. Once it is completed, it can only help you, your business and employees if it is used properly.

"Each new employee should be given the handbook and expected to sign off on each page to show they have read and understand what the expectations of the dealership are,"

says Clements. "Each year the dealership should review the handbook, make changes based upon behavior they want to encourage or change, and update the handbook accordingly."

After the initial training, each year employees should be presented with the new or revised handbook. "At the time the employees are given the updated handbook, they should be asked to sign off on the changes, and are then held accountable to standards outlined in the handbook," Clements explains further.

### Handbook Contents

Below is a suggested outline for an employee handbook. It can be expanded upon or simplified to better reflect the goals of your dealership.

1. Brief Welcome
2. Company History & Mission Statement
3. Company Overview

In the company overview, there should be an explanation for what the handbook is designed to do and what actions will be taken if the guidelines aren't followed.

Outline what the employee can expect of the company and what the company in turn expects from them. Lastly, explain that the customers are the root of any business success and should be treated as such.

- Introduction
- At Will Employment
- Wavier of Breach
- What You Can Expect
- What is Expected of You
- Customer Relations

### 4. Employment Policies

The Employment Policies section

explains how employee conduct should mirror the beliefs of the company. Explanations of suitable and unsuitable behavior and appearance are outlined, as well as consequences.

- Code of Ethics
- Employee Non-Compete & Confidentiality
- Outside Employment
- Company Vehicles and Property
- Personal Appearance
- Reporting Concerns / Complaints / Grievances
- Progressive Discipline
- Sexual and Other Unlawful Harassment

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*Creating an employee handbook is a smart step. Once it is completed, it can only help you, your business and employees if it is used properly.*

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### 5. Hiring & Terminations

Explain employment laws and agreements as well as specific job descriptions in this section. Doing a thorough job of explaining job duties, schedules and attendance policies will leave little room for dispute when an employee underperforms.

- Equal Employment Opportunity
- Immigration Law Compliance
- Job Descriptions
- Employment Categories
- Employment Applications
- Introductory Period
- Credit / Employment Verification
- New Employee Orientation
- Work Schedules / Meal Periods
- Employee Absenteeism Policy
- Access to Personal Files
- Job Abandonment
- Employee Termination
- Exit Interview



### 6. Benefits & Time-Off

A full explanation of benefits and attendance policy should be outlined here. Eligible employees should receive a booklet further describing insurance coverage. Attendance policies, and how they relate to pay, should also be highlighted.

- Health Insurance, Life Insurance and Long-Term Disability
- Social Security
- Unemployment Insurance
- Workers' Compensation Insurance
- Holidays
- Vacation Paid Time-Off
- Sick / Personal Time
- Unpaid Leave of Absence
- Absence Due to Work-Related Injury
- Bereavement Leave
- Jury Leave
- Military Leave
- Employee Discounts

### 7. Compensation & Performance

Employees will likely show the most interest in this part of the handbook. Outline when the pay period at your dealership begins and ends, and whether it is weekly or biweekly. Also mention changes in compensation due to performance or incentive programs.

- Payday and Your Check

- Overtime Pay
- Timekeeping Procedures
- Administrative Corrections
- Direct Deposit
- Advances and Loans
- Performance Evaluations

### 8. Business Tools

Outline for employees when it is suitable to use the business phone or their own personal cell phone. Think about how this impacts your profitability and customer satisfaction. Employees may need training on phone etiquette (see page 7) and usage of the business management system (BMS).

- Telephone Usage Policy
- Cell Phone Usage Policy
- Voicemail / Email / Internet Policy
- Computer and BMS Usage
- Mail Use

### 9. Safety

Keeping employees and customers safe should be a priority. Outline the dealership's rules for safety and be sure each employee understands why these rules are important. Expectations for employee conduct towards each other should also be summarized.

- Workplace Violence Prevention
- Workplace Safety
- General Housekeeping

- Smoke-Free Environment
- Drug and Alcohol Use
- Security
- Employee Arrest

### 10. Closing

The closing section of the employee handbook is the best place to offer employees a chance to address any questions or concerns they may have.

### 11. Employee Acknowledgement Form

Once you have gone through the employee handbook with them, the employees should sign a sheet formally acknowledging their understanding of the rules within. This process should be done the first day on the job, before any work is completed.

Consider hiring a human resources professional or business management consultant to help you create your employee handbook. There are also free online resources such as [managementhelp.org](http://managementhelp.org) that offer many useful tools.

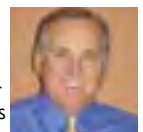
It may seem like a lot of work to create an employee handbook, but once it is in writing it can be easily updated as needed in minutes. Having one can save you a lot of time and headaches in the end. ■

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#### Resource:

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Bob Clements is the president of Bob Clements International, a consulting firm that specializes in the development of high-performance dealerships. His organization works hands-on with dealerships throughout North America, helping them attain the personal freedom and financial wealth all entrepreneurs strive to achieve. For more information, contact Bob Clements at (800) 480-0737 or [bob@bobclements.com](mailto:bob@bobclements.com).



# Day One on the Job

**A** quick checklist to go over with employees on the first day can help you to be sure that they are properly oriented to the dealership's systems and departments.

Going through the details of day-to-day operations will better prepare them to provide superior customer service. Check off each point as you discuss it with the employee.

Employee's Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

Date of Hire: \_\_\_\_\_

## Start the Orientation Process

- \_\_\_ Review a copy of the employee's application so you are familiar with their experience, training and education.
- \_\_\_ Review the job description, including the duties and responsibilities.
- \_\_\_ Explain the departments that make up the dealership and how the employee plays a role.

## Introduce the New Employee to Business's Market Position

- \_\_\_ Explain product lines and services offered.
- \_\_\_ Explain company customer base, distributors and competitors.

## Introduce the New Employee to Their Co-workers:

- \_\_\_ Indicate to each co-worker what the new employee's position will be.
- \_\_\_ Explain the job functions of each person to the new employee.

## Show the New Employee Around:

- \_\_\_ Tour the departments within the dealership.
- \_\_\_ Explain where the lavatories, break room and parking are located.
- \_\_\_ Explain the various departments within the organization.

## Introduce the New Employee to Their Job

- \_\_\_ Be sure their work area, equipment, tools and supplies are prepared and available.
- \_\_\_ Explain the levels of supervision within the department.
- \_\_\_ Provide the new employee with the necessary or required training (shop equipment, computers, business management systems, product lines).



### General Rules and Hours of Operations

- Disciplinary Procedures
- Dress Code/Safety Requirements
- Employee Timesheets
- Tracking Shop Work
- Breaks and Lunches
- Sick Days, Vacation, Holidays

### Explain the Location and Use of:

- Telephone
- Mail/E-mail
- Parts/Supply Procedures
- Delivery Trucks and Trailers
- First Aid Equipment
- Housekeeping Responsibilities and Materials

Set a time and date, within one week, to cover any questions or concerns that may come up over that period. \_\_\_\_\_

Signature of Owner/Manager \_\_\_\_\_ Date \_\_\_\_\_

Signature of Employee \_\_\_\_\_ Date \_\_\_\_\_

<b>NOTES</b>	



*Jerry Clay, Owner  
Clay's Power Equipment, Raleigh, NC*

## **“I learned about great service from two of the best: my parents and STIHL.”**

“I grew up in this store and I watched my parents make customers for life through great service. It’s the biggest thing we offer that big box stores can’t. And in tough economic times like these, loyal customers can get you through. Truth is, I’m a customer for life, too – of STIHL.

We’ve been with STIHL since 1992 and business has exploded. My customers love STIHL products, and I love their support of independent servicing dealers.”

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**STIHL**<sup>®</sup>



Drew Stampley  
360 Hardware  
Mechanicsville, VA

## **“With STIHL supporting my small business, I’m becoming a bigger one.”**

“I first decided to sell STIHL because I know their name drives traffic, but STIHL’s dealer support tools are just as impressive as their real tools. STIHL helped me with layout plans and in-store displays that are proven to increase sales, and the changes have really helped. STIHL also drives customers to my store through their Marketing Advantage

and PowerChord Plus Internet programs. I only do business with companies who support me. My STIHL distributor is there whenever I need them, with parts, sales support, training and product. Business is easy when STIHL has my back, so who has yours?”

[www.stihlusa.com/dealer](http://www.stihlusa.com/dealer)

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