

YARD & GARDEN

Dealer Success Guide

CONTROL THE CHAOS AND GROW YOUR SALES

Sponsored by

STIHL®

volume 22

A Supplement to Yard & Garden

Building the Courage to
Make Changes

How To Manage Parts
Department Unpredictability

The Big Time: Taking
on Tractors

Working Together Toward a Successful 2011

Ladies and gentlemen,

I'm pleased to say that in the face of one of the most challenging economic environments in recent history, STIHL Inc. enjoyed a record sales year in 2010, and the initial sales results for STIHL Inc. and our dealers in 2011 is quite promising. I have been asked on numerous occasions to what we attribute this success, and my response has always been the same, success is earned. Build a premium product, distribute it through a unique network that focuses on the servicing dealer, and deliver exceptional customer service. Combine these elements with sound and ethical business policies, and you have a winning combination.



2010 also ushered in two first-time achievements for STIHL and our dealers. STIHL Inc. achieved recognition as the number one selling brand of handheld outdoor power equipment in America* and produced its 40 millionth unit here in Virginia Beach. Each of these milestones required 36 years of dedication, discipline and the combined efforts of STIHL, our branches, distributors and independent STIHL dealers.

We also announced our support of the Independent We Stand movement, encouraging consumers to make a conscientious decision to direct a certain portion of their spending in support of locally owned, independent businesses. We encourage all independent locally owned dealers to register their businesses at IndependentWeStand.org. You can read more about the movement in this issue of *Dealer Success Guide*.

While we may not be totally out of the economic woods, there is reason for cautious optimism. We believe that success is attainable for anyone with the resolve, the tools, and the team to help them achieve it. I wish you a successful 2011!

Sincerely,

A handwritten signature in black ink that reads "Fred J. Whyte". The signature is stylized and cursive.

Fred J. Whyte
President
STIHL Inc.

Back to the Drawing Board

A lot of dealers have “gone back to the drawing board” over the past couple of years. Some came away having drawn the conclusion that big changes were needed to revitalize their businesses, while others have concluded that they simply needed to find a way to perfect some of the things they were already doing. In either case, going back to the drawing board almost always proves to be a worthy exercise.

Business owners tend to rally the troops when business turns down. That’s certainly better than the alternative of continuing to do the same things in the same way, despite data suggesting that those things aren’t working very well. However, the business owner who continuously keeps his finger on the pulse of both his business and his marketplace is the one who will remain ahead of the curve—and one step ahead of his competition.

In this edition of *Dealer Success Guide*, you’ll read articles designed to help you wrap your brain around the concept of what I’ll call “back-end work processes”, which when perfected and executed consistently will help you sell more products at a better margin for a more sustained period of time. To quote Charlie Sheen, that is “winning”.

You’ll read about things like improving strategic planning meetings so you and your team can make adjustments and capitalize on emerging opportunities faster and more seamlessly. Renowned dealership business coach Bob Clements will explain how you can reduce parts department transaction time and implement customer surveys in an effort to better serve and retain customers.

You’ll read about leading dealers who’ve diversified their showrooms with compact tractors, ag-related implements and propane-fueled equipment, along with other dealers who’ve improved service and parts department organization to increase inventory turns and improve profits.

If you’re a dealer doing great things you’re proud of, be sure to check out the *Dealer Success Guide* nomination ballot on page 30 for an opportunity to share your story in a future issue! ■



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HOW TO Improve Planning Session Participation

Employee participation is a vital part of any business's planning process. Encouraging the involvement of your staff will mean getting the most out of these meetings.

Effective planning is vital to any business' success. Participation by employees and executives in planning sessions for activities such as mapping out annual action plans, organizing major projects, and developing strategic plans should be a priority.

Nevertheless, many of those who are charged with leading a company planning effort often face the problem that other employees who should be present and engaged in the process aren't. If you struggle with participation challenges in your dealership's planning activities, here are eight tips to help make your sessions more successful.

1. DON'T REPEAT MISTAKES OF THE PAST.

There may be a reason those previous attempts to secure needed participation have not been successful. Take time to understand why previous meetings were not successful and be honest in your assessment. Seek out opinions both from those who actively participated in the past, and from those who have not. Use that feedback to make needed corrections. Ask these questions:

- Could past sessions be seen as a waste of time?
- Were potential participants given appropriate notice?
- Was the planning activity itself planned, organized, and conducted with a sense of purpose?
- Was time used effectively and efficiently?
- Was discussion dominated by a single person or just a few individuals?

- Were opinions elicited from those who were present but quiet?
- Did participants leave with a sense of accomplishment?
- Were participating employees recognized for their contributions?
- Was follow-up action taken on strategies that were developed?

2. SET PARTICIPATION GOALS.

Identify who should be present in order for your meeting to be a success. Instead of giving employees the opportunity to consider the meeting optional, communicate to them that their participation is needed and their insights valued.

3. AVOID SCHEDULE CONFLICTS.

Schedule planning activity far enough in advance to avoid potential scheduling conflicts. Sounds like a no-brainer but sometimes the organization already has other activities planned, important deadlines are approaching, or it's a heavy vacation period. Get schedule availability input from desired participants and set your date when most are available. Even better, set your activity on a regular, recurring schedule.

4. ESTABLISH EXPECTED OUTCOMES.

Have a specific purpose for your session. Communicate in advance what you intend to cover and the result you are hoping for. For example, if you want to develop strategies for better managing trade-in

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equipment, employees will be able to come ready with ideas on how to log, store and resell equipment. Identifying an expected outcome will also help keep the session focused on the primary task at hand.

5. MAKE SURE PARTICIPANTS ARE PREPARED.

Your planning team should know exactly what is expected of them. It's difficult to offer a qualified opinion when given the details and objectives without the opportunity to review materials prior to the time of discussion. Following the example of managing trade-ins, offer them details on the amount of trade-ins received and highlight reoccurring problems with management. Help them be prepared with advance information.

6. DETERMINE WHAT FORMAT WORKS BEST FOR YOUR GROUP.

Take into account the personalities involved. Use a meeting format that gets desired results and creates a positive experience so people are motivated to partici-

pate in future sessions.

- Do you need teambuilding or fun activities?
- Will your team react more favorably to a strictly all-business session?
- What is the most productive length of time?
- Will you get best results by getting away from the office and working in a retreat setting, or will a few hours in the dealership be okay?

An outside facilitator is often more effective at challenging, encouraging, and drawing out opinions, and controlling discussion so it stays on a positive, productive track.

7. HAVE A DESIGNATED FACILITATOR.

Having someone with the ability to get everyone engaged and keep the process moving and focused is essential for creating the successful planning session you want. Have the manager of the department, whether it is the sales floor, parts department or shop, lead the discussion.

Judge whether or not someone outside your organization is

needed. An outside facilitator is often more effective at challenging, encouraging, and drawing out opinions, and controlling discussion so it stays on a positive, productive track. Seek an industry consultant or one of your distributors. Distributors are usually knowledgeable about the challenges your organization faces and may have worked with other dealers in their territory to find other solutions.

8. DON'T FORGET YOUR POST-EVENT FOLLOW-UP.

Personally thank staff and mention specific contributions made. Solicit feedback for future sessions and give regular progress reports on implementation of the plans that were developed.

Having consistently high participation in your organization's planning sessions creates an environment in the dealership that is conducive to a successful and well-managed business.

Create within your company the realization of the vital

importance of planning activities by executing these tips. You will be more likely to enjoy a higher level of preparation, participation and enthusiasm in your planning sessions. ■

About The Author

As a speaker and consultant, Hardy Smith helps organizations achieve high performance success. Learn more about Hardy by visiting hardysmith.com.



EMPOWERING Staff

Empowering your staff can improve the job satisfaction of employees and in turn customer satisfaction.

All departments within a dealership rely heavily on each other. The frontline staff works directly with customers but leans on the other departments to get the customers the service and products they need. Having to wait on other departments to provide solutions and answers to customers' needs could leave the customer waiting and unsatisfied with dealership service. Frontline employees need quick and accurate action instead of obstacles and delays.

Employees with decision-making authorization save management time and increase customer satisfaction. Outdoor power equipment dealerships that provide work environments where staff can perform at their best attract and retain the best employees. Positive employee relationships generate energy and raise productivity, resulting in higher-quality customer service and more satisfied customers.

Following are six steps that will help you to empower staff and thus improve customer service.

1. EMPOWER YOUR FRONTLINE STAFF TO SOLVE CUSTOMER PROBLEMS ON THE SPOT.

By supporting staff and giving them the power to

address customer concerns straightaway, their job satisfaction will improve right along with customer satisfaction. When employees hesitate to make the independent decisions related to critical thinking, it's because they have been discouraged from doing so in the past. They have learned to wait for specific directions from their managers rather than functioning as self-sufficient professionals.

This ingrained habit is difficult to break. The best way to change this habit is to build trust by giving your staff consistent support. Don't let your chain of command become a ball and chain. When you empower employees, you save money, clients are more satisfied, and productivity increases.

2. BUILDING TRUST ENABLES YOU TO USE YOUR INTELLECTUAL CAPITAL.

When your staff trusts each other, they save time and money, because people who trust others can act quickly and decisively. How do you build trust?

- Respecting yourself and others
- Being a role model
- Being courteous in your communication

- Being sensitive to the needs of staff

Staff members establish trust in you when you make consistent decisions according to what is right, rather than what is easy. When companies use the intellectual capital of their frontline employees, they save money and preserve trusting relationships.

3. BUILD A POSITIVE WORK ENVIRONMENT.

Organizations that provide environments where staff can perform at their best attract and retain the best people. Long-term strategies such as effective communication and staff-friendly cultures enable organizations to achieve the best results. Building a positive culture takes multiple elements: respect, consistency, and integrity. A positive culture is worth the effort because it promotes employee understanding of organizational values, enabling them to make smart decisions for clients.

Relying on other departments can leave staff and customers waiting and frustrated. Empowering your staff can mean improved job quality and customer service.



4. INSIST THAT STAFF COLLABORATE INSTEAD OF COMPETE.

For instance, ask yourself the question: “Is everyone aligned behind our sales strategy?” Everyone can accomplish more when departments work together. Good communication and collaboration save time and money, and increase productivity. For instance, a salesperson may sell a product or service, but if he expects to make repeat sales, the customer service

Employees with decision-making authorization save management time and increase customer satisfaction.

person and the delivery person must also interact effectively with clients. No matter how good the salesperson is, future sales will be lost if the customer service person is insensitive to the client’s needs or if the delivery person is rude. This kind of alignment is essential

for any company because the faces of all of these people are the faces that reflect the whole company from a client perspective.

5. BRAINSTORM ABOUT THE OPPORTUNITIES THAT LIE BEYOND THE CHALLENGES.

Dedicate a portion of your staff meetings to list current challenges being faced by the business, staff or customers. Then talk about ways to transform these challenges into opportunities. Perhaps you will be able to redefine your selling proposition to increase sales. For instance, look at both sides of customer complaints. Ask yourself if the complaint reflects their need for a new product or service that your company could offer.

6. SOLVE THE ROOT CAUSES OF PROBLEMS.

If frontline employees have no power to solve the root causes of their problems, they end up creating temporary fixes day after day. This wastes huge amounts of time, costing significant amounts of money and reducing quality of service for customers. Solving the root causes of problems may enable you to build your business in new strategic ways.

Core values such as respectful communication and integrity cost nothing. Smart managers empower staff to work together with conceptual communication and leadership approaches that enable them to leverage resources and to do more with less. ■

About The Author

June Fabre is a speaker, trainer, consultant, coach and author, and has worked as an educator and sales manager. For more information, visit junefabre.com.

Good Leaders Are Good Actors

The best company owners and managers have learned how to adapt their leadership style to the situation at hand.

Good leaders must be good actors, specifically proficient in what's called "situational leadership." Plain and simple, situational leadership means having the skills and understanding to assess a scenario you're facing and manage it with the right leadership style.

Considering that there are three basic types of leadership—authoritative, participative and hands-on—a good leader acts in the moment, choosing the best style for the challenge at hand. Situational leaders are good actors because they know how to adapt their leadership style. They can mask fear, panic and worry with a great sense of self-confidence both in themselves as well as those they must inspire and motivate.

In order to assume the appropriate role, leaders must become great believers in whatever leadership approach they've chosen. Furthermore, they must exude extreme self-confidence as they reflect that decision.

Like good actors, good leaders "become" the character in that moment, and their success depends greatly on the purity of their belief. If they don't believe in what they are doing and the type of leadership role they've adopted, they'll come across as a fake. Ironic but true, good acting is one of the strategies good leaders use to communicate with credibility, build trust among their

people, and motivate others.

THESE SKILLS CAN BE DEVELOPED

If you believe that good leaders are made, not simply born, it's important to recognize that situational leaders do possess key characteristics, which are essentially the qualities of a great leader.

In addition to confidence, there are 11 other attributes of leadership, which include: clear vision, integrity, empathy, sense of humor, humility, passion, courage and style, in addition to the ability to recognize potential in others, develop trust and encourage excellence. Some of these attributes might be innate, but many good leaders must develop at least some of these qualities. Doing so comes with time, experience, failure, success, coaching and mentoring, and a genuine desire to develop leadership qualities.

For instance, while there's nothing wrong with reading books on the subject of leadership, consider reading books that are about great leaders, or make a list of effective qualities in the leaders you personally know.

Adopt some of their ways, test them out, and see what works. While good leaders actively study and prepare for their role as such, they also make great strides by getting the necessary experience, e.g., climbing the chain of command and taking on greater

leadership responsibilities.

Coaching and mentoring clearly supports leadership growth, but good leaders and good actors must also develop a strong sense of self-awareness. Understanding your shortcomings and strengths provides a launch pad for improvement and, hopefully, excellence.

In becoming a good leader, or good actor, it's likely that you'll have to work on issues around "emotional intelligence." Use 360° evaluation to discover how effective your leadership style is, and, notably how you communicate. Good actors know that when it comes to delivering a message, 7% of is the content of the message itself, 38% is your voice tone, and 55% is about the visual presentation, which includes a self-confident persona. In other words, how you sound, look and carry yourself makes up 93% of what goes into being an effective communicator — a critical component to leadership success. ■

About The Author

Lee Froschheiser, president and CEO of Management Action Programs (MAP), works with premiere business leaders and companies nationwide. Lee is also co-author of the best-selling book, "Vital Factors, The Secret to Transforming Your Business – And Your Life." For over 50 years MAP has helped 160,000 leaders and 13,000 organizations create sustainable results using the powerful combination of the unique MAP Program, Business Coaching and Consulting Services. For more information, visit mapconsulting.com or call 888-834-3040.

Control the Chaos and Grow Your Sales

Focusing on the 4 P's of a successful company will help you achieve your ultimate goal of the fifth P: profit.

When companies don't have a standard operating procedure handbook, the result is typically controlled chaos. By making sure that you have your four p's in place—people, policies, procedures and processes—you can start growing sales and improving profits.

PEOPLE

People who are working for you but are not committed to your dealership can be labeled as team breakers. They are like bad apples; you place them in a bushel of nice apples and all they do is rot the rest. Find out who is committed, and who isn't. You can either tolerate, motivate or eliminate.

POLICIES

Having written policies will clear up miscommunication along with all the excuses you hear people use to cover up their mistakes. Today's teams need to have clear expectations on how to perform at your company. The last thing you want is an underachiever teaching a new employee some bad habits.

PROCEDURES

Teaching and training your team on how to execute a variety of procedures is what makes your company different—and better. This is how you ensure consistent customer service and high produc-

tivity across the dealership over a sustained period of time.

As a company experiences employee turnover, the procedures often become watered down because most companies don't conduct enough training. The results are almost fatal, as nobody knows what to do and/or how to do it. It's important to develop

fifth P: profit.

- Proper planning prevents poor performance
- Proper people prevent poor profits
- Proper processes produce productive profits

When you recognize how all of these P's work together, you can gain control of your team. Look at

Having written policies will clear up miscommunication along with all the excuses you hear people use to cover up their mistakes.

proper procedures, get them in writing, and train all employees to follow them.

PROCESSES

How can businesses expect their team to execute if they don't have clear expectations or the skills to execute? Like procedures, processes are more important today than most business owners realize. The process is the "how to do it". Again, you have to take the time to identify correct processes, record them, and train employees on how to execute them.

PROFIT

Teams need to be focused in order to succeed. If you don't have a course of expectations, you will lose your way—along with the

any successful organization and you will find consistency as one of their backbones. In an inconsistent world we need to be consistent. With a standard operating procedure handbook, you and your company will be standing long after others have fallen victim to their excuses. ■

About The Author

George Dans is a speaker, trainer and founder of The Worlds Greatest Closer, a sales training and life changing firm specializing in personal and professional development. With over 20 years of experience, George helps maximize potential at organizations that are small-business owners to Fortune 500 companies. He is the author of "How To Become The Worlds Greatest Closer." To find out more, please visit worldsgreatestcloser.com or call 909-440-9981.



Getting an "A" in Advertising

Clay's Power Equipment has grown their customer base through aggressive advertising that reaches a complex customer base through different media.

Many dealers may consider cutting back on things like marketing dollars when times are tough. Dealer Jerry Clay continues to invest in marketing and use the powerful tool to attract customers to the unique services and product offerings that set his dealership apart from the big box.

Jerry Clay and his wife Phyllis became the exclusive owners of Clay's Power Equipment in Raleigh, NC, in 2004. They turned the nursery into a go-to retailer for the outdoor power equipment customer and have since attracted a large customer base of both homeowners and landscape contractors.

REACHING CUSTOMERS WITH THE HELP OF CUSTOMERS

One way that Clay's has grown their customer base is through aggressive advertising. Clay realizes that in order to be successful with a complex customer base, they have to utilize different forms of advertising. "In our market, as a consumer and commercial dealer, we do a combination of various types of advertising to reach our target customers," explains Clay. "Some forms work for both, but we have found that newspa-

per ads zoned to target zip codes, along with newspaper inserts, tend to work better for the consumer, and direct mail works better for the commercial customer."

As part of their advertising efforts, they have begun branding all of the riding mowers sold. On the back of the seat on all riding mowers, you will find a 6x8-inch color Clay's logo. Clay says this really works well for increasing the company's visibility. "These decals can be seen when the mower is on the trailer going up and down the highway as well as when the mower is being used," explains Clay.

Clay also gets some help with branding from his commercial customers. Commercial customers are asked to support Clay's by placing a sign with the store logo stating "Provider of Commercial Equipment" on their work vehicles. "This is a low-cost way to get our name in front of a lot of people and encourages loyalty from our commercial customers," says Clay.

MARKETING SERVICES AS A PACKAGE DEAL

Programs like the Clay's Cutter Club offer customers convenience and value not found at the big box



“Internet sales give us an opportunity to expand our business without the overhead, creating another business within a business.”

- Jerry Clay

stores. The Cutter Club provides customers with priority repair and maintenance, free unlimited blade sharpening, and free initial delivery, just to name a few. In addition to this consumer customer service, the larger commercial customers enjoy the convenience of Clay's parts delivery system.

The Clay's Cutter Club consists of many services already provided by Clay's with the purchase of equipment. The idea is to market all of these services together. “We were already offering a lot of these services, but were not actively advertising them,” explains Clay. “We decided to put them all together under one name and market them with the sale of equipment to our homeowner customers.”

They advertise the Clay's Cutter Club and products through their local radio station with on-hold advertising (people put on hold listen to Clay's advertising), TV advertisements, and weekly calls to customers conducted by sales staff. The calls help in building relationships with customers and forecasting future sales.

“We have a goal sheet set up for each week to record phone calls made and conversations that took place,” explains Clay. “The goal sheet and notes are reviewed at the end of the week. That way everyone knows if a customer is looking to buy in the next few weeks or months.”

In the past they have also gotten the company name out there by

supplying Honda Generators to cool the NC State football team during games. This afforded them the opportunity to pitch a tent, in plain sight of the 60,000 fans, displaying the generators. Service was reiterated with an ad in each of the game programs, and during the radio broadcast.

INTERNET MARKETING

Clay also takes advantage of the ever increasing use of technology and created a website for educating customers on their service and product offering. Their website features product information, service capabilities and the company mission. The website offers a lot of information, including 10 reasons to buy from Clay's.

“We made a domain, whybuyfromclays.com, to use on all marketing information,” explains Clay. “It contains reasons why people would want to buy from us. We think it creates curiosity so the customer would want to go online to find out more.” The domain address, which can be found in the Yellow Page listings and other advertising, has been receiving a lot of hits.

Some reasons listed for why a customer would choose to buy from Clay's include:

- Family owned and operated for 46 years with owners on premises.
- Power Equipment is our specialty. We don't sell paint, hardware, or lumber. We are the power equipment experts.

- We service what we sell. We employ industry certified, factory trained service technicians that will keep your equipment running long after your purchase.

- 2007 *Yard & Garden* magazine National Dealers in Excellence award winner.

- Excellent parts inventory for most brands with fast delivery of special order parts.

They currently offer Internet sales for certain manufacturer lines, but hope to expand their offering in the future, realizing that it has been good for business. “It gives us an opportunity to expand our business without the overhead, creating another business within a business,” says Clay.

Clay works hard to market his business effectively to a wide



Clay's has their own website, whybuyfromclays.com, for educating customers on the 10 reasons they should buy from the business.

range of customers. Once his aggressive advertising brings them through the door, they are all treated the same — as invaluable customers.

“We treat our customers like we want to be treated, with honesty and respect,” explains Clay. “We take an interest in them personally as well as professionally.” ■

Originally appeared in the November 2007 issue of *Yard & Garden*.

BIG TIME



HOW WE DID IT

- ➊ Recognized opportunity to fill void left by exiting dealership
- ➋ Hired talent from the exiting dealership
- ➌ Worked with OEM to start slow and proceed with caution
- ➍ Mapped-out vision for who target customer would be and how to reach that target customer
- ➎ Created financial plan that would allow for necessary investments to support new product line

The Fletcher family had spent 20 years building a multi-million-dollar lawn and garden business. But when the recession started to take shape and demand for zero-turns took a dive, they looked to the tractor market for their next growth opportunity.

Toward the end of 2008, the Fletcher family started to notice some warning signs of economic hardship. Rather than batten down the hatches and attempt to ride out the oncoming recession, they decided to take a bit of a risk in order to create another revenue stream and appeal to a new segment of potential customers.

"We approached New Holland," says Frank Fletcher, the second-generation co-owner of Fletcher's Sales & Service in Greensburg, PA. "The area New Holland dealership, which was literally two miles from us, had gone out of business in 2006. But in the late-90s they were a full-line New Holland dealer. For whatever reason, New Holland had pulled out of that dealership in 2004." Within a couple of years, that dealership's fate was sealed—cre-

ating a golden opportunity for Fletcher's.

PARTNER WITH A LEADER

In order to expand into ag-related markets, Fletcher says it was important to partner with a leader. John Deere and Kubota already had dealerships in the area. The availability of New Holland, which Fletcher says is the third big name in the industry, made this expansion a real possibility.

Fletcher's Sales & Service had already hired two employees from the failed New Holland dealership. "We figured that this dealership must have had sold quite a bit of equipment over the years," Fletcher says, "so there should be this market of people already out there. The next closest dealer was about 45 miles from us, so we'd have some room to



Fletcher's Sales & Service was originally profiled in the October 2008 issue of *Yard & Garden*. From left: Frank with parents Madeline and Francis Fletcher.



grow. So I called New Holland."

FLOORING, FREIGHT AND MARGINS

Fletcher ended up talking on the phone with the person in charge of new dealer development at New Holland, who eventually came out to the dealership to present the New Holland program. Fletcher says there were a lot of differences as compared to the typical lawn and garden equipment program he'd grown accustomed to.

"Everything is put on their flooring," Fletcher points out. "You're not dealing with a distributor—you're dealing direct with the manufacturer. Depending on the product line, or even horsepower for that matter, the product may be shipped in different manners; some models you can buy one at a time, others you have to buy an entire container. And aside from a special sales promotion, there's freight tied to almost every single machine—unlike some of the programs our mower manufacturers offer where we can buy into a certain bracket and have our freight charge waved." Fletcher says this is at least partially attributable to the fact that a lot of the equipment is manufactured overseas.

While the freight charges, relatively speaking, are minimal, they do add up—helping to further erode already tight margins. "The margins on this type of equipment really shocked me at first," Fletcher relates, while adding that they can sometimes dip into the single digits. Still, 9% on a \$20,000 tractor puts more money in the bank than 15% on a \$10,000 zero-turn. So Fletcher has been, for the most part, pleased.

PRICING AND SALES EFFORTS

Something that hasn't been

quite as pleasing—although it's getting better—is the challenge associated with selling this type of equipment. "Pricing-out all of the different options is a lot of work," Fletcher says. "For instance, if you buy a 60-hp tractor, it comes standard with certain features. But then you can add an entirely separate book of features."

Thus far, Fletcher has been spearheading the majority of the New Holland sales effort, mainly because it would be rather difficult to create a price list and train another employee(s) on how to use it. "We sell Exmark mowers, and it only took a couple of hours to create a standardized price list for the entire line," Fletcher says. "It's easy to tell your salespeople that this is what we are all going to sell this model for, and this is what we are going to sell that

"The gentleman farmer is the ideal customer ... He's a doctor or other professional with 10 acres and a couple of horses. He wants to buy the total package."

model for. But how can you do that for a product with as many variables as a tractor? It's a one-on-one situation with each customer."

Thankfully, Fletcher says, New Holland is now getting more standardized with certain models. Selling the line in general is getting easier, simply because the Fletchers have a couple of years under their belts.

"We were lucky in that New Holland allowed us to start with just tractors for the first 10 months,"



In order to receive New Holland equipment shipments, the Fletchers had to invest \$15,000 in a portable dock that chains to the trailer. "We made sure it was aluminum because we're storing it outside," Frank Fletcher says.

Fletcher recalls. Then, after fielding several inquiries from prospective customers, the dealership expanded into hay tools, which qualifies it to begin carrying other ag-related tools such as manure spreaders, rakes, balers and sickle-bar mowers.

Fletcher's Sales & Service has been selling New Holland equipment to small area farms, rural customers with 4 or 5 acres, and gentleman farmers. "The gentleman farmer is the ideal customer," Fletcher says. "He's a doctor or other professional with 10 acres and a couple of horses. He wants to buy the total package."

SUPPORTING THE NEW LINE

While skid-steer loaders and mini-excavators are not presently part of the plan, they could be in the future. If the Fletchers go that route, however, building and staff changes will have to coincide.

Some of that has already taken place just to support the tractors and hay equipment the dealership is already selling. The Fletcher's

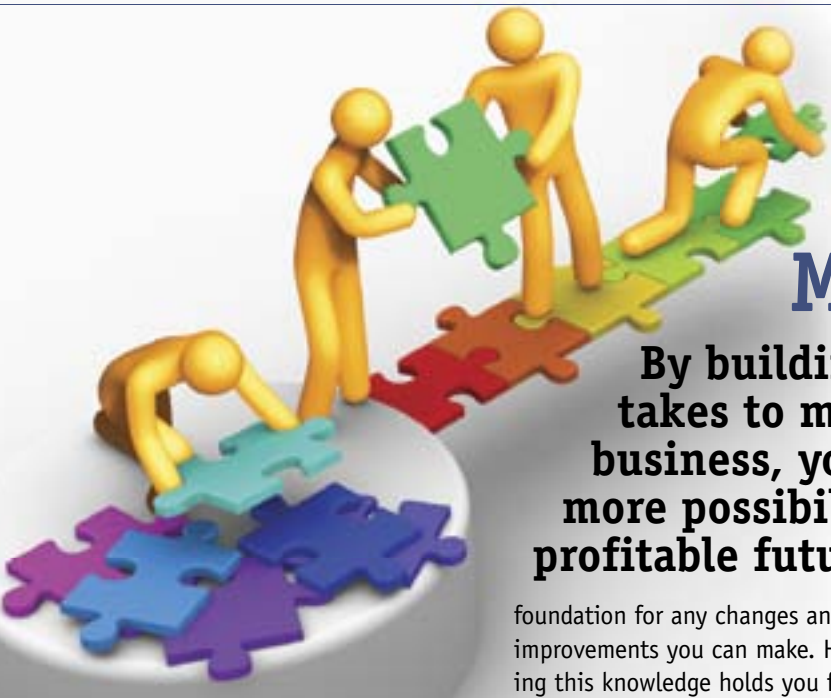
invested roughly \$35,000 in a 10,000-pound forklift; the 5,000-pounder they already owned wasn't big enough. And because the dealership didn't have a loading dock, the Fletchers had to invest another \$15,000 in a portable dock that chains to the trailer. "We made sure it was aluminum because we're storing it outside," Fletcher adds.

Fletcher's Sales & Service already owned a 26,000-gross-vehicle-weight rollback truck that had come in real handy for lawn tractor and zero-turn mower deliveries. But it's barely cutting the mustard when it comes to the bigger New Holland units.

Despite the required investments and challenges associated with diversifying into a very different, in some ways more complex product line, the Fletchers are very pleased with what they've been able to accomplish thus far—and what the future holds in terms of further expansion and growth opportunity. ■

Building the Courage to Make Changes

By building the courage it takes to make changes in your business, you open the door for more possibilities and a stable and profitable future.



Being in a leadership role sometimes requires making hard decisions and choosing a path that doesn't offer the least resistance. By building the courage it takes to make changes, you are opening your business up to new opportunities for growth.

Many managers are afraid to add to the emotional burdens of a workforce that is already seeing unprecedented hardship thanks to the economic challenges faced by many companies. As a result, many are afraid to take a chance that may help grow their business.

Fear can often get in the way of opportunities for positive change and hold you and your business back. Having the courage to embrace these opportunities is important. You must develop courage as well as the skill and ability to use it. Following are five attitudes that you and your staff should embrace to develop courage.

Know yourself and your business. It's difficult to have courage when you're unclear of your guiding values and principles. What do you stand for? What is your company's mission? Being tuned into who you are, and what your business strives for, is the

foundation for any changes and improvements you can make. Having this knowledge holds you firm when implementing changes and meeting challenges.

Do what's right, not what feels good. Often, courage means making uncomfortable choices rather than choosing the path of least resistance. A difficult decision won't always feel good in the moment, but if you're connected with your principles then you'll know the right course of action. Always remember to maintain your ethical ground in these moments.

Be flexible and open to change. If you find yourself saying, "But we've always done it this way," then you may really be responding to fear of change. Fear is the opposite of courage. You need to have the courage to challenge the norm if changing it could mean a better outcome for your business.

Accept criticism. When facing a challenge, you will receive criticism from not just yourself, but also your staff. Graciously and constructively listen to their criticism. They may have a valid perspective on the situation that you cannot see from your position as leader.

Be willing to admit mistakes. There have likely been times when you confidently made

what you thought was the right decision, only to find later that you were wrong. Making mistakes is a large part of being human and being a business owner. Be willing to admit when you're wrong and discuss what went wrong with staff. Those wrong turns are learning opportunities that should be shared with employees.

Fear and uncertainty make it difficult to see beyond immediate circumstances. As a leader, it's your responsibility to seek out the opportunities in a situation and lead your organization to success.

Organizations today need courageous leaders who can guide them through troubled times and help them turn around in spite of the challenges. You can create your own attitude for success. It takes practice and consistent effort to be courageous in making decisions for your business, but by doing so you will be on your way to creating a more successful business. ■

About The Author

Danita Johnson Hughes, Ph.D. is a healthcare industry executive, public speaker and author of the forthcoming "Turnaround." In her first book, "Power from Within," Danita shares her "Power Principles for Success" that helped her overcome meager beginnings and achieve professional, community and personal success. For more information, visit danitajohnsonhughes.com.

New Product Spotlight

NEW STIHL MotoMix™

STIHL takes the guesswork out of mixing fuel for customers needing a fuel-oil mix at 50:1 ratio. STIHL MotoMix™ is ethanol-free and created with premium quality fuel with a minimum 92 octane and the superior protection of STIHL HP Ultra Oil to ensure reliability and performance.

According to Kent Hall, senior product manager for STIHL Inc., “STIHL MotoMix will eliminate the time and hassle of measuring and mixing fuel and oil. All while delivering excellent engine performance and superior lubrication for your customers.”

- **Unique ethanol-free fuel formulation results in a fuel storage period of up to two years.**
- **Customers can expect easier starting and consistent, reliable operation.**
- **Non-aromatic fuel mixed with a fully synthetic and highly biodegradable two-cycle engine oil, making it easier on the environment.**
- **Convenient 39.5-ounce metal container contains 32 ounces (1 quart) of pre-mixed fuel.**

Visit yardngarden.com/einquiry and enter 102



STIHL MotoMix is also a natural fit as the official fuel of the STIHL® TIMBERSPORTS® Series.

NEW STIHL MS 261 and MS 261 C-Q Chain Saws



The innovative engine technology on the new STIHL MS 261 and MS 261 C-Q chain saws reduces emissions up to 50 percent and provides up to a 20 percent increase in fuel efficiency*, resulting in longer periods of use between refueling. Made for a variety of users like landscapers, arborists, loggers, farmers, and municipalities, these chain saws come equipped with a decompression valve for easier starts and an advanced anti-vibration system that helps reduce user fatigue. The stainless steel muffler and the compact, space-saving design of the split-barrel carburetor reduce overall weight.

- **Reduced-emission engine technology results in 50% less emissions and up to a 20% increase in fuel efficiency*.**
- **Self guided, captive bar nuts in the sprocket cover to prevent loss.**
- **New round, canister-style air filter for greater air cleaning efficiency and longer run times between maintenance.**
- **STIHL MS 261 C-Q includes STIHL Quickstop® Plus (Q), an additional chain braking feature designed to stop the saw chain in less than one second.**

*As compared to previous models.

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NEW STIHL FS 360 C-E and FS 460 C-EM Brushcutter/Clearing Saws

Longer run times, ease of operation and fuel-efficient.

Powered by a low-emission engine with 20 percent more fuel efficiency* the STIHL FS 360 C-E and FS 460 C-EM offer a simplified starting procedure with a semi-automatic choke lever and stop switch that automatically returns to the start position. Designed for agriculture and forestry customers, as well as municipalities and utility companies, these two new brushcutters feature an ergonomic design and come standard with the extremely lightweight and comfortable universal harness and Easy2Start™.

- **Large, 25.4-oz., translucent fuel tank results in long run times and less refueling.**
- **Easy-adjust, soft-grip bike handle swivels for easy transport and storage.**
- **4-point anti-vibration system allows for optimal control and reduced fatigue.**
- **Vertically pleated, paper air filter element provides an extended service life.**

STIHL FS 460 C-EM features M-Tronic™

STIHL M-Tronic™ provides optimum engine power at all times, automatically adjusting to variable conditions, including changes in elevation, temperature, air filter cleanliness, fuel quality and octane levels, eliminating the need for manual carburetor adjustments.

*As compared to previous models.



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STIHL HT 56 C-E Pole Pruner



Boasting a 9-foot-2-inch length and an affordable price, the STIHL HT 56 C-E pole pruner brings storm cleanup and tree maintenance tasks within easier reach. The first occasional use pole pruner from STIHL designed specifically with homeowners in mind, the HT 56 C-E is ideal for pruning jobs outside the range of chain saws, allowing users to reach up to 14 feet above ground.

- **Powered by a low-emission, fuel-efficient STIHL engine, lessens fuel cost and environmental impact.**
- **Lightweight and well-balanced with a 10-inch narrow nose guide bar for maneuverability.**
- **Durable STIHL saw chain for optimal cutting performance.**
- **STIHL Easy2Start™ system that makes starting almost effortless.**
- **Unique two-piece shaft design for easy storage and transport.**

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NEW STIHL Ultra Limited Warranty – Doubles Our Customers' Warranty Protection

Effective Jan. 1, 2011, a new, limited extended warranty is available for STIHL serialized gasoline-powered equipment purchased for personal, family, household and non-income producing use. At the time of equipment purchase, STIHL dealers can offer this option to customers, who simply purchase a six-pack of STIHL HP Ultra two-cycle engine oil to qualify for double the limited warranty period.** STIHL HP Ultra provides the best engine oil for improved engine longevity and helps customers double their warranty.

**Restrictions may apply.



Visit yardngarden.com/einquiry and enter 106

STIHL®

The PERKS of Dealing in Propane

By becoming a go-to dealer for propane conversions and products, you open yourself up to a new category of customers and fleets powered by another fuel option.

Changes in the economy and environmental regulations have forced many landscape contractors to assess their fleets and fuel options. This presents an opportunity for dealers to add to their product and service offering.

Richard Blake and Jay Godfrey, co-owners of McCoy's Lawn Equipment Superstore in Austin, TX, were hearing more and more about ozone action days preventing their contractor customers from running traditional equipment. At the time they were also starting to think about adding to their product lines. They decided the perfect solution for their business and customers would be propane-powered mowers.

"We decided to come out with a mower that was powered by an alternative fuel that would allow contractors to start up and run on the mornings of ozone action days and maintain the same work schedules," explains Blake. The dealership now converts mowers and vehicles, and sells propane-fueled 21- to 72-inch mowers from several manufacturers.

McCoy's works with a wide customer base, including lawn and landscape companies, government entities and park/recreation departments. In offering

the propane-powered mowers, McCoy's does a lot of business with area municipalities. They receive further assistance and incentives from the Propane Education & Resource Council (PERC) in selling the machines.

"Right now there is a \$1,000 rebate from PERC for having a unit converted over to propane," says Blake. "Because an average 72-inch mower with a 35-hp engine would typically run \$13,000, the rebate makes it a no-brainer. Many manufacturers also offer bid assist."

A SMART BUY FOR CONTRACTORS

Carrying the propane-powered mowers was an easy decision for Blake and Godfrey, and when contractors hear of the benefits it's usually an easy choice for them, too. Propane mowers are powerful machines that save contractors on the cost of fuel and maintenance.

"With propane you don't have to drain your gas tanks or deal with the hassles of contaminated fuel and the need for fuel disposal," says Blake. "The fuel is very clean and will stay good in the tanks virtually forever." Contractors no longer have to worry about



McCoy's Lawn Equipment Superstore has a presence at many local and regional trade events, like this Texas Propane Gas Association trade show in early 2010 in Bastrop, TX.



At a 2010 Clean Cities event in Bastrop, TX, McCoy's Lawn Equipment Superstore displayed a pair of 61-inch, 32-hp zero-turn mowers – the Ferris Industries' IS 3100ZP and the Snapper Pro S200xp. At left is a Ferris Industries' HydroCut 36-inch walk-behind mower converted for use with propane by McCoy's Lawn Equipment Superstore.

spilled fuel in transportation or theft through siphoning.

The clean fuel also takes less of a toll on the engine than gasoline. This translates to less time and money spent on repairs and maintenance, and more time out taking care of customer properties.

"With propane, your carbon factor simply goes away," says Blake. "We had guys that were changing their oil every 25 hours with gasoline. Now they are changing their oil once a year. Additionally, it greatly increases engine life because the propane temperature of -44° F is like a treat to all of the air-cooled aluminum engines."

To further sell customers on propane, Godfrey compares the price of gasoline to that of propane, and computes the operating cost of miles driven.

In addition to benefits for the engine and cost savings, contractors in some areas can also enjoy the perks when making bids. "In Austin, the municipalities will actually let a landscaper bid 2-4% higher if they are using alternative

fuel," says Blake.

HANDLING PROPANE

At McCoy's, taking on propane meant obtaining special certification and making changes to the facility to better handle the demands of propane installs. The dealership had to become licensed through the Railroad Commission in order to fill and handle tanks,

Carrying the propane-powered mowers was an easy decision for Blake and Godfrey, and when contractors hear of the benefits it's usually an easy choice for them, too.

and to do installations on mowers and vehicles.

"In Texas you have to go through an initial course and then every two years attend an update school," explains Godfrey. "Each store has a manager that attends, and Richard and I keep updated as well."

Contractors that run on propane can fill their tanks right at McCoy's. It's convenient for the customers, and at \$2.50 a gallon of-

fers a small boost in profits.

"Since we were going to be talking our customers into the conversions, we wanted to be able to offer them a convenient place to fill their tanks," explains Godfrey. "We give the customers who do their conversions with us a better price on it."

McCoy's sells between 70,000-80,000 gallons of propane a year.

A cement slab was poured and a cage for the propane was easily installed. Adjustments also had to be made in the shop to handle conversions and maintenance. Most of the propane work is done at their larger location

with three large bays and an automobile lift. They have a second location with one service bay.

"Propane is a small percent of revenue at only 2-3%," explains Godfrey. "It takes a lot of \$2.50/gallon propane to make up for a \$10,000 mower, but I encourage other dealers to get into it. It's just another great way to become a one-stop shop for your customer." ■



McCoy's Lawn Equipment Superstore has begun working with CleanFuel USA to upgrade existing propane refueling stations at both of its locations with liquid propane dispensers like this one.



McCoy's Lawn Equipment Superstore works with many local and regional commercial lawn maintenance companies to provide a wide range of propane-fueled commercial lawn mowers. One customer purchased these Scag Turf Tiger zero-turn mowers.



PICK, PULL, STOCK, STAY

Finding a better way to organize parts has allowed Kim Olson to prevent his growing inventory from outgrowing his facility of 25 years, while increasing customer satisfaction and turnaround time in the shop.

After spending 25 years in their facility, Kim and Judy Olson of the Mower Shop in Fort Smith, AR, had to make a decision. With their children having already chosen careers outside of the power equipment industry, they had no successors. The space that housed their dealership was small, but their volume kept getting larger. They needed to decide between moving into a larger space or doing more with the little space they already had.

“Our store is the most cramped 1,200 square feet in the industry,” Kim Olson explains. “We have enough parts and equipment inventory to fill a 5,000-square-foot building easily. Our parts situation was just like everybody else, but everybody else has way more room than we do.”

The Olsons weighed their options and decided that with their low overhead and established location it would be best to stay in their small space. “When it comes to our location, stability goes a long way,” says Olson. “Customers value knowing where they can find us. We have carried STIHL since 1987. If you have

stability in your lines, location and help, it all makes a difference.”

STAY AND FIND A BETTER WAY

The Olsons decided to stay put and find a better way to manage parts within their office, shop and retail store. They made their first attempt at improving storage by replacing wooden shelves with metal and cardboard boxes with plastic bins. “We got rid of the cardboard boxes and spent \$1,500 on plastic bins which were colored and looked better,” says Olson. “After it all, everything was still dusty and dirty with lots of wasted space between the bins on the shelf.”

After a few years of prettied-up clutter on the shelf, they began building a Lista system piecemeal with the guidance of another dealer who had been through the process. “Originally, we were going to get all of the cabinets at one time for the shop and out on the sales floor. Lynn Pesson of Southland Engine in Lafayette, LA, told us that was the wrong thing to do,” explains Olson. “So we started with the Lista counter with the



The Mower Shop retail store is smaller than most dealerships with a sales volume their size. With the new Lista parts storage system, all the space within is neatly utilized.



Every part has its place within the cabinets and are closely tracked with the c-Systems Software business management system. This saves time for both the employees and customers when pulling parts.

STIHL facade on the front of it.”

Olson followed Pesson’s instructions and added a little at a time once they had a better idea of what kind of configurations were needed. Pesson also gave Olson some tips on how to track the parts’ locations with c-Systems Software.

“He saved us a month’s work telling us how to use it to locate parts,” explains Olson. “He had already been there, having loaded and reloaded cabinets. I spent 20 minutes on the phone with him and he saved us 40-50 hours of work.”

Metal shelving in the back holding the bulk items in plastic boxes was soon replaced with floor-to-

ceiling drawers and shelves. Every single part now has its assigned location in a cabinet. Storage buildings out back hold items that move only once or twice a year, reserving room in the store for only fast-moving parts.

IMPROVED WORKFLOW

Olson has always had a good handle on managing his parts inventory, but the biggest payout for him has been the reaction from customers. They are equally impressed with the store’s clean look and the speed at which staff locates parts.

“We had so much wasted space. Now everything the customer needs is right there,” says Olson.

“More than anything else, it’s the compliments you get that make it worth it. It looks so much more professional than wooden shelves and boxes, and people tell us all the time how unbelievable it is that they can ask for a part and we know right where to find it.”

The service department at The Mower Shop also reaps the benefits of the Lista cabinets. Workstations were installed that put everything within the technician’s reach, translating to faster turnaround for customers. “With the added workspaces in the shop I can do 75% of the repairs I’m going to do and never leave that spot,” explains Olson who still works on repairs. “Our techs spend less time walking to the store for parts because they have the frequently used parts labeled and organized in drawers right in their work benches.”

Unlike Olson, many dealers have a large back room where they can sloppily store parts out of the customers’ view. Olson urges them to still consider how a better storage system would still benefit them.

“Our clean facility helps us gain the trust of the customer,” explains Olson. “If we can confidently find parts, and not need 20 minutes to find something in our inventory, it shows we have a good handle on our business.”

Improved organization, higher customer satisfaction and increased turnaround time in the shop have all been accomplished with the help of a better system for organization. It’s helped Olson to do more in the small space he has chosen. “There is no one in as cramped of a facility as we are that does anywhere near the volume we do,” says Olson. “It’s been an investment in time and money, but it is paying us back twofold.” ■

How To Manage Parts Department Unpredictability

Taking measures to reduce your average transaction time will help you take care of more parts customers with fewer parts employees.

The parts department is typically the most profitable department in a dealership, at least on a percentage-of-sales basis. It's also the most unpredictable.

First and foremost, dealers are trying to keep track of all sorts of unique parts. Secondly, customer flow is very difficult to predict. During peak season, eight customers might already be waiting outside of your door when you arrive to open up in the morning. Then you don't have another customer until 9:30 a.m., but by 10 a.m. you have a dozen waiting in line at your parts counter. It's just very unpredictable.

That's why I tell dealers that time is your enemy in the parts department. If you want to do a good job at moving and selling parts, time is the one thing you have to get your arms around.

UNDERSTAND YOUR AVERAGE TRANSACTION TIME

Parts department transaction time is an often neglected yet critical element that dealers must measure and manage. What is transaction time? It's from the moment a customer approaches your parts counter to the time that customer leaves the parts counter.

You obviously want to get a given customer in and out of your parts department as quickly as possible, since doing so allows you to take care of more customers in a shorter amount of time. We tell dealers that a transaction time of 4 minutes per customer is a good goal to have.

In order to reduce your transaction time, the first thing you want to do is clean up the parts counter and surrounding area. Take your arm and swipe everything off of that counter: catalogs, empty boxes, soda cans, shop towels, etc. That's just clutter, and doesn't look

very professional. Remember, the "lake-side property" of your parts department is your front counter, so you want to keep it clean and organized.

I don't think it's a good idea to have stools at your front counter. Sure, allowing the customer to sit down seems like a great thing to do, but stools can get in the way of productivity. If you're a busy dealer, do you really want a customer to sit down and have a cup of coffee and talk to you for 20 minutes? It's not that you don't want to take good care of customers, it's just that you don't want your transaction time to go up in the process.

Getting rid of stools can be a challenge at first. Parts staff might think that all you care about is ramming customers through the dealership. Actually, that's exactly what you want to do—and that's not an impersonal approach that hinders customer satisfaction. Think about that 4-minute transaction time. If you have eight customers and two parts counter people, the last two customers in line are going to wait for 12 minutes before they are helped. If you had a 7-minute

Eliminating stools at your front counter can help reduce transaction time. And don't worry, customers will not be upset because they'll be in and out of your dealership in less time.





transaction time, those last two customers will have to wait in line for 21 minutes. That's right, "ramming customers through" actually helps you provide better customer service.

Staying on the topic of stools, I don't think it's a good idea to have them behind the front counter, either. Parts employees who are sitting down are not going to be as efficient as if they were standing

up and moving. So my advice is to get rid of your stools.

GET PARTS MOVING

To sell more parts you need to know which parts are selling. Every dealer should be running a report from his business management system that shows parts sales by volume, or your fastest-moving parts. I advise dealers to run this type of report at least every 60 days.

A good approach is to come up with a top-50 list. Then, arrange your parts department so that your 50 fastest-moving parts are as close to your front parts counter as you can get them. For example, you don't want your fast-moving belts hanging on the wall way in the back of your storage area; you want them on the wall next to or behind your front counter. Same goes for oil filters; get a good supply of your four or five fast-movers under the front counter.

This sounds simple, but is hard for some parts managers to do. They have their dozens and dozens of parts SKUs stored in a seemingly orderly fashion; all of the spark plugs in this section and all of the filters over in that section. It looks pretty, but kills a parts department's transaction time. Get those fast-movers as close to the front counter as possible.

We're a big fan of storage cabinets. They are great because they can hold a good volume of parts, and often fit nicely right behind the front counter. Sometimes dealers say, "Yeah, these sound great, but boy are they expensive." Well, they are going to cost a little bit, but wouldn't you rather buy six of these cabinets than hire another parts person? The cabinets never get sick, don't require you to pay them overtime, and last forever.

Cabinets also make it a lot easier to do inventory. Everything is more

compact and easier to go through. This is big when it comes to making your parts department more profitable. You have to be doing inventory checks efficiently and accurately if you want to improve inventory turns.

BAR CODING

Every major retailer has a bar code scanner at its point of sale. More dealers are also getting on board with this as they see the potential to reduce transaction times and increase inventory turns. And actually, the equipment is not that expensive.

Most of the major business management system providers offer software that has the capacity to utilize a bar code reading system. Furthermore, most parts are now shipped to dealers with bar codes on them.

Getting converted over to a bar code reading system is going to save the dealer a lot of time in the long run because he won't have to type in the parts numbers any longer. Plus, inventory counts are going to be more accurate because the possibility of making a typo is eliminated.

Converting over to a bar coding system will take a little time, so it's not something you want to tackle during the busy season. However, it makes for a great off-season project for your parts manager or other dealership personnel you'd like to keep employed. ■

About The Author

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.



Service That Sells

At Oakboro Ag, Power & Turf, they hold strong on their prices and close the sale with their individualized service and breadth of knowledge they quickly share with customers.

For Joel Thomas at Oakboro Ag, Power & Turf in Oakboro, NC, growing his business and remaining profitable has been about taking care of his customers. Holding strong on equipment prices affords him the time and resources to give customers the individual service they deserve and require.

Thomas refers to his dealership as “your super-store for farm, landscape and yard needs.” They sell lawn and garden tractors, zero-turn and walk-behind mowers, the full spectrum of handheld equipment, trenchers and tillers, utility vehicles and more. They’ve added medium-hp tractors for the growing hobby farmer market, along with mulch, fertilizer and other landscape materials for their diversifying landscape customers. The dealership has also branched into irrigation supplies and propane-powered mowers.

With past droughts in the area and a slowed economy challenging their competition, they have seen many dealership doors close. Oakboro has outlasted the other dealers by maintaining their prices and growing their customer base.

“We’ve seen a few of our competitors close their

doors, and have been fortunate to pick up some of their customers and employees,” says Thomas. “Their customers come in here and say, ‘Hey, your prices are higher than so and so’s were.’ I respond with, ‘You’re exactly right, which is why we’re still open and able to take care of you today.’”

You have to make a profit if you want to keep your doors open long-term. “Most customers will understand and appreciate that when you explain it to them,” Thomas adds.

SERVICE FOR ALL

At Oakboro, they have figured out that making a profit is about more than simply holding strong on your prices. Service is a healthy contributor to Oakboro’s overall profitability and remains the dealership’s primary business builder. As Thomas points out, anyone can sell something. It’s the service that gets the customer to come back.

For such a large dealership, it’s unique that Oakboro Ag, Power & Turf is willing to service brands it does not sell—even the more inexpensive handheld equipment. Thomas says it’s been a great way to build their customer database, which is now in the thousands. He’s also found a couple ways to make it profitable.

HOW WE DID IT

- Holding strong on prices to maintain a high level of service
- Provide one-on-one interaction between customers and technicians
- Offer landscape customers solutions to make their businesses more profitable

One technician is assigned to this equipment and works out of a bay at the far end of the service department. He's neighbored by another two-cycle technician. Commercial turf techs work at the other end of the shop. Larger tractors are serviced in an adjacent building. "Everybody stays out of each other's way," Thomas explains. "As long as working on off-brand equipment doesn't bog our shop down, I'm happy to do it."

A TRUE RESOURCE FOR CUSTOMERS

Technicians stay in the shop, although Thomas is an advocate of allowing them to interact with customers from time to time. Some dealers don't like this because it cuts into shop productivity. Thomas says there's a trick to making it work.

"If a customer really wants to talk with a technician, we escort the customer back to the service bay," Thomas says. "Our guys are good—they can talk and work at the same time. So they don't really stop working, and the downtime of having to walk out to the front counter isn't an issue."

This doesn't happen very often. But when it does, the result is a happier customer. Even for a large dealership like Oakboro Ag, Power & Turf, this personal touch is why so many first-time customers have become lifelong customers.

Thomas and the Oakboro staff take their role as adviser and educator very seriously—not only with technical information, but also business information for their professional customers. "I'm always talking to my landscapers, especially the newer guys, about how business is going and what they're charging for their services," Thomas says. "I talk to them about making a profit and planning for

that day when they need to replace their equipment. Some listen, and unfortunately some don't."

Oakboro's more established contractors who often grow frustrated when new cutters come into the market and low-ball. Thomas' efforts to educate these new contractors and encourage them to charge

what they're worth goes a long way with his established customers. He explains: "I have to make money to stay in business, and so do my customers." ■

Originally appeared in the summer 2008 issue of *Yard & Garden*.

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HOW TO Use Customer Service Surveys

If you want to improve upon the customer experience, you must find out specifically where you are doing well and where you need to improve.

One thing you need to continually do as a retailer is ask for feedback from your customers. You want to find out how your employees are doing, how your marketing is working, and how your overall customer service is being received. This information is vital to determining any improvements that need to be made in order for your dealership to become more competitive.

THREE METHODS FOR GAINING CUSTOMER FEEDBACK

The challenge for most dealers is figuring out how to get that information. There are three basic methods.

Method 1: Simply talk with customers when they are in the dealership. This is a quick and free method, but not so easy to execute when it's the busy season. There is one other drawback: Customers may hold back on telling you the truth because they want to be nice and want to avoid any confrontation.

Method 2: Call the customer a few days after they'd visited your dealership. You can do this personally or just have an employee do it. I believe it's better to have an employee do it because customers tend to go easy on the owner if they personally know that owner. Your office manager might be a good choice. If you're a larger dealership with some money to spend, it might make sense to hire an outside consultant who specializes in this type of thing.

Method 3: You can mail or email the customer a questionnaire. If you want to go the email route, one popular and free online survey tool is surveymonkey.com.

HOW TO ASK QUESTIONS

What you want to do is create some questions based

on a ranking system. For example, "On a scale of 1 to 10 (with 10 being excellent and 1 meaning you'd never do business with us again), how did you feel about the way you were treated the last time you came into our parts department?"

You also want to come up with some more specific yes/no questions. For instance, "Did we have the parts you needed?" "Were you greeted when you walked into our store?" "Were you thanked when you left?"

Another approach is to create some A-B-C multiple choice questions. For example, "Would you recommend us to your friends?" (yes, no, maybe).

Finally, I think it's important to include at least a couple of open-ended questions that give the customer a chance to respond in his or her own words. For instance, "Is there anything else you'd like to share regarding your last experience with our service department that can help us do a better job of serving customers like you?"

WHAT QUESTIONS TO ASK

You obviously want to find out how customers feel about the way they were treated by your staff. But there are a whole host of other questions you can also ask.

The outside of our dealership is your biggest billboard, so you should ask the customer what his or her impression was. For instance, "On a scale of 1-5, how would you rate the appearance of our dealership as you drove into the parking lot?"

Then you move to the inside of the dealership. "How would you rate the appearance of our showroom?" Then more specifically, "How do you rate the appearance of our parts department?" "How would you rate the lighting in the showroom?" "How would you rate our showroom displays?" "How would you rate the

California-based MMI Power Equipment, profiled in the February 2008 issue of *Yard & Garden*, takes pride in the cleanliness of its restrooms.



cleanliness of our restrooms?" These types of questions are critical, because as busy dealers, these types of things often go unnoticed. You have to ask the customer how your dealership looks.

HOW TO STRUCTURE YOUR QUESTIONNAIRE

Anytime you're doing a survey, you start by asking a broader question, and then build upon that by asking more specific subsequent questions. Take another look at the showroom appearance examples in the above paragraph. See how the line of questioning flows in a logical fashion? You definitely don't want to confuse the customer by

asking one question about overall dealership appearance and then follow that up by asking a question about the friendliness of service department staff.

Eventually you will have to shift gears from one area of the dealership to another. When you do, start that second line of questioning with another broad question. For instance, "What was your overall impression of our service department?" Then, "Was the service manager friendly and eager to assist you?" "How would you rate the appearance of our service department?" "How would you rate the appearance of our technicians?"

Aside from making it easier on the customer, the real benefit of asking groups of logically flowing questions like this is that you can pinpoint where you

need to improve. For example, a customer's overall impression of your showroom's appearance might be a 3 out of 5. But as you review the responses to the subsequent questions, you note that everything scored at least 4 except for restroom cleanliness, which only scored 1. Now you know what to fix in order to create an even better customer experience.

TEST YOUR QUESTIONS

It's a good idea to send the survey out to just a few customers initially (maybe 10 or 15). Then look at their responses and see what you're getting. There may be a question that isn't being

answered consistently. Maybe you need to rewrite the question so it makes more sense to the customer. Make any necessary changes now before you send the questionnaire out to your broader list of customers.

HOW TO ACT ON THE RESPONSES YOU GET

Prepare yourself now—some of the responses could be less than favorable. Embrace it, because now you know what you have to improve in order to become a more competitive dealer who's capable of earning customers for life.

Pull your key managers and staff together to go over the data. If you're a 2 out of 5 on overall dealership appearance, what are you doing to do about it? How can you improve?

If you learned that you're a 5 out of 5 on parts department friendliness, you have to give your parts staff credit; rewarding good behavior encourages additional good behavior.

Customer surveys aren't just about hearing bad news and figuring out what you need to get better at. Customer surveys are about finding out what customers think of your dealership, both good and bad, and how you can continue to deliver a favorable customer experience, something that's growing more important year after year. ■

About The Author

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.



Investing in Service **MEANS** Investing in Success

Making smart investments of time and money in the service department improves production and department profitability.

When managed properly, the service department can be a profit powerhouse. At Klei Mower in Cincinnati, OH, they are continuously looking for new ways to invest in their service department and help technicians to get the job done quickly and correctly.

Through their efforts and investments, they have seen improvements in production, and in turn profitability. Staff and customers are coming away satisfied with how the department is run.

POLICIES THAT EQUAL PERFORMANCE

Atypical of most million-dollar dealers, Klei Mower's income is skewed more heavily toward service. Where most high-volume dealers see less than 20 percent of revenue coming from service labor, Klei Mower sees roughly 40 percent. "The toughest thing we deal with is not being able to get to everyone all the time," says Dennis Klei, the third-generation owner of the dealership.

That's why Klei Mower now limits what it will accept for service repairs. "As far as residential mowers, we'll only work on the brands we sell, because we usually have the parts in stock," Klei explains. "Commercial mowers are limited, too. More often than not, we'll only work on certain brands."

Since Klei Mower started this policy a few years ago, the service department has never come close to running out of work. "We never lay off employees," Klei points out. "It's my job to keep our service department busy in the winter by constantly reminding customers that it's the perfect time to get their mowers in for service."

Being a dealership built on service, Klei's focus is on creating an environment where technicians can be as productive as possible. The first step is diligently sending out service cards at the start of the off-season to drive service work. This helps alleviate the number

of frustrated customers needing service when the spring rush is on and their grass needs mowing.

Discounted rental equipment is also available, which helps ease the customer's frustration while they wait for their equipment to be repaired.

INVESTING IN WORKSPACE

Klei has continually made facility investments to keep up with growth. In 1960 the dealership started off in a 20x40 garage. An old barn was used for storage. In the '70s the barn was expanded by roughly 1,000 square feet. A new 3,200-square-foot showroom was built in 1984, and a 4,032-square-foot warehouse was erected in 1995.

The warehouse was used for storage and service operations. With business continuing to grow, especially on the wholegoods retail side, technicians were finding themselves more and more cramped, which put a strain on production.

Continuing with his father's and grandfather's traditions of making substantial facility investments every 10 years or so, Klei gave the go ahead for a huge expansion in 2006 that added approximately 3.5 acres of land and 9,000 square feet of warehouse space.

The new 9,000-square-foot warehouse is split in half. One side is used for equipment setup and crated inventory. The other half is used for units that have already been serviced, handheld equipment and other "smaller" wholegoods inventory. The old 4,032-square-foot building is now devoted entirely to shop production.

They also added parts storage cabinets in the service department, making better use of wasted space for shelving while improving organization.

"Giving our techs more room to work has proven to be the best thing we've done in a long time," Klei says. "Production has been record-setting since we did." ■

Support INDEPENDENT WE STANDSM

STIHL's push to support local businesses reminds us all of the challenges independent dealers face and how you should support fellow small business owners.

As small business owners, independent outdoor power equipment dealers face the challenge of going up against large retail chains. Many consumers go straight for the best price and forget about the added value of purchasing from a local independently owned business and supporting the local economy.

STIHL is now sponsoring Independent We Stand, a movement to educate consumers on the benefits of supporting local businesses, and in turn their local community. Studies have shown that locally owned businesses reinvest locally at a rate 60% higher than large chains such as Home Depot and Lowe's.

Independent We Stand and STIHL are working to spread the knowledge of the benefits of spending locally. A website (IndependentWeStand.org) provides useful tools for business owners and others who would like to get involved in the movement and help educate.

GET REGISTERED

The Independent We Stand website offers information and print-

able tools to get the message out, as well as a large database of locally owned businesses. Dealers and independent business owners who register their business on IndependentWeStand.org will enjoy several benefits that get their company name out there while supporting the cause. Benefits include:

- A free listing for your business on the Independent We Stand online business locator
- Free marketing and promotional materials proclaiming your independent status
- Access to articles and statistics on the importance and impact of shopping locally
- The opportunity to network with others who have joined the movement
- An Independent We Stand button that drives more traffic to your company's website



- Free Independent We Stand eNewsletter that can be forwarded to employees and contacts
- Help in sharing business information on social media sites such as Facebook and Twitter
- Independent We Stand apparel available for purchase to spread awareness
- Independent We Stand public relations support and business coverage in local media

BE LOCAL, BUY LOCAL

Dealers can show they support Independent We Stand not only by registering their business with the site and spreading the word, but also by making an effort to support their local businesses. By choosing to buy locally, you are encouraging those local businesses to also support your business.

You should also encourage your employees to do the same. A small change in each of your weekly spending habits can make a large difference in your local economy and even create jobs. Visit your local farmers' market, coffee shop, restaurant, bookstore and more to show your support.

STIHL has always maintained a belief in the strength of the local business. They have never sold their products through mass merchants, and are now stepping outside of the outdoor power equipment industry to help small business owners nationwide.

STIHL has seen the value of working with independent dealers, and dealers value their support as well. Jerry Clay of Clay's Power Equipment, a STIHL dealer with three locations in North Carolina, appreciates the

support of manufacturers and works hard to maintain those relationships. He has said he prefers to team up with manufacturers who continue to offer products only through independent dealers rather than cashing in on the lure of the big box stores.

"We feel we have a partnership with these manufacturers, because their entire interest is on the well-being of the independent dealer," says Clay. "I feel the independent dealers need to support these manufacturers, so they will continue to do business this way in the future."

We at *Yard & Garden* also like to show our support of the independent dealer and business owner. We regularly feature dealers who showcase excellence in business management and have maintained their main street status. If you would like to have your business profiled in *Yard & Garden* or the STIHL-sponsored *Dealer Success Guide*, please fill out and mail in the form below, Fax to (920) 328-9011, or send an email to editor@greenindustrypros.com. ■



Have your business profiled in an upcoming issue of *Yard & Garden* or *Dealer Success Guide*.

Dealership Name _____

Dealership Location _____

Owner's Name _____

Phone and/or Email _____

Annual Sales Volume

- Under \$1 million _____
- \$1-3 million _____
- Over \$3 million _____

Sales Mix by Percentage _____

Equipment/Wholegoods

- Parts _____
- Service _____
- Other _____

Brands Sold

What makes you a great lawn and garden dealership that is deserving of recognition in *Yard & Garden*?

Which areas do you feel you could give expert advice on?

- Sales, marketing and customer service _____
- Store appearance _____
- Using technology to market and manage your dealership _____
- Parts department _____
- Service department _____
- Making your dealership a great place to work _____
- Opening additional stores _____
- Diversifying into new, unique product lines _____
- Profitability _____

LEAN operation (efficient work processes)

Mail this form to: Yard & Garden Editor, 1233 Janesville Ave., Fort Atkinson, WI 53538

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* U.S. Chamber of Commerce – Small Business Nation



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?”

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STIHL[®]