

YARD & GARDEN

Dealer Success Guide

SPECIAL TECHNICIAN SECTION:

Hire, Train, Motivate and Keep Techs

- Don't Lose Your Techs to the Competition Page 18
- How To Use Money To Drive Technician Performance Page 20
- Dealers and Manufacturers Work Together to Raise Competency Page 22

Sponsored by

STIHL®

?

ALSO INSIDE:

Better Business Benchmarking Page 4
Numbers to measure your success against.

Green Marketing How To Page 8
Tap into green consumerism.

Consistency and Commitment to the Future

Dear Servicing Dealer,

Succession planning is a staple of any long-term business plan, and it has always been a core strength at STIHL. This summer, we saw more evidence of this deliberate commitment to the future with transitions in several key leadership positions. At our founding company, Hans Peter Stihl has passed the chairmanship of the advisory and supervisory boards to his son, Dr. Nikolas Stihl. Dr. Stihl has a long history in our industry and even worked for a time at STIHL Inc. in the early 90s. Hans Peter Stihl will remain general partner of STIHL HOLDING and has been appointed honorary chairman of the advisory and supervisory boards.



Here in the U.S., Nick Jiannas and Christian Koestler have assumed the positions of vice president of sales and marketing and vice president of operations, respectively. Nick and Christian both have superior track records with STIHL and are proven professionals in their fields. Nick began his STIHL career in 1995 and has held a variety of positions within the company, including product manager, manager of export and sales planning, and most recently branch manager for Northeast STIHL located in Shelton, Conn. Christian began his career with STIHL Inc. in engineering more than twelve years ago and has held various positions, including engineering manager and director of technology. Both gentlemen also spent considerable time at our founding company in Waiblingen, Germany prior to their appointments. So we are pleased to have them as new representatives on our executive management team here in Virginia Beach.


Taking the steps to secure your businesses' future is perhaps more critical now than ever before. That's why resources such as the *Yard and Garden Dealer Success Guide* are so valuable, providing information on best practices in managing your business. I hope you enjoy this issue, which includes several tips and insights to help your business prosper today and tomorrow.

Sincerely,

A handwritten signature in black ink, which appears to read "Fred J. Whyte". The signature is fluid and cursive.

Fred J. Whyte
President
STIHL Inc.

Special Technician Section:



Hiring, Training, Motivating and Keeping Techs

18 Playing for Keeps

The steps to take so you don't spend time grooming the perfect technician only to lose them to a competitor.

20 Use Money to Drive Technician Performance

The four most common compensation plans for getting the results you need from your service department.

22 Keeping Techs Top of Mind

Dealers and manufacturers work together to address the technician shortage.

DEALER SUCCESS STORIES



26 The One-Stop Shop

Chilton Turf Center has grown their customer base through fringe products and education opportunities.

28 Training a Team of Customer Service Experts

This Texas dealership has chosen to make a commitment to their staff and customer service through ongoing education.

4 Better Business Benchmarking

Bob Clements shares important industry numbers to measure your success against.

6 Winning the Margin War

Identify and recover costs in your quest to maintain margins.

7 Think Beyond Products to Draw More Customers

Use innovation in the dealership to attract and retain customers.



8 How To Properly Market Green Products and Services

Truthfully marketing your green side can help you to tap into green consumerism.

10 Effectively Handling Customer Complaints

10 tips that help you ease the customer's qualms while being apologetic yet firm.

13 Caring for the Contractor

Learn what your contractor customer needs to succeed in business and offer them that—and then some.

14 Better Hiring, Better Business

Three ways to ensure an effective hiring process that helps you build a better staff.

24 Rolling with the Punches

In the last decade, Richard Pregler has seen plenty of changes in technology, products, customer demands and his own staff.

29 Extended Storage Tips

When storing your equipment for more than a month, take these steps to ensure it will be ready for use when brought out of storage.



Better Business Benchmarking

Bob Clements shares industry standards to measure your success against—and how to do so successfully.

A lot of dealers are just kind of “in business” and judge their success by whether or not they remain in business. Dealers can increase their chances at success by moving outside the mentality of taking it day-by-day, and instead regularly focus on their benchmarking data.

“Most dealers are so busy firefighting that they don’t understand the importance of running their business,” says Bob Clements of Bob Clements International. “I constantly preach to my dealers to measure, measure, measure.”

Evaluate your business’ data as it compares to benchmarking goals you have set for yourself based on industry standards. You can educate yourself

on industry data through discussions with distributors, other dealers and industry associations.

In taking the time to measure your important company data, there is more of a focus placed on the company’s profitability. Benchmarks help you to better understand your business and identify areas for improvement or growth.

Set net profit goals

When studying a company’s benchmarking data, the most important number to watch is the net profit at the end of the year. Clements suggests aiming for a net profit of 10%. Dealers should assess how each area of their business contributes to that main goal.

“Once a dealer decides what he wants as an acceptable number, they can then work backwards in each profit center to make sure it is contributing the correct amount to make that net profit happen,” explains Clements.

To track these numbers, dealers need to turn to their Business Management System (BMS) for support. This is a tool many dealers do not use to its full potential (see sidebar “Top 5 BMS Reports” on page 5).

“One of the challenges that most dealers have, is they fail to fully utilize their Business Management System and the reports that it can create to keep them focused on profitability on a weekly basis,” says Clements.

I constantly preach to my dealers to measure, measure, measure.

Once a dealer figures out which reports to run and how frequently, monitoring them becomes a part of the daily, weekly and monthly routine. Spotting an issue in the reports early on through regular monitoring can help you to quickly recover lost profits and find ways to improve processes.

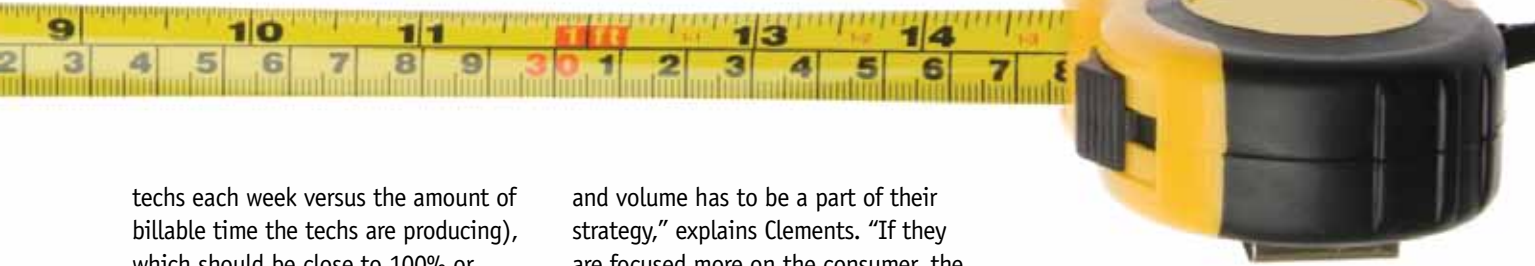
Service stats

Each department in the dealership has its own statistics to be recorded and monitored. In the service department, dealers should measure the billable work coming out of their shop and how it compares to what technicians are paid.

“In service, dealers should be evaluating their recovery rate (the amount of hours they are paying their

The Benefits of Benchmarking

- ✓ Identification of the dealership’s strengths and weaknesses in each department
- ✓ Identification of improved ways to meet customer needs
- ✓ Encourages an ongoing goal for improvement



techs each week versus the amount of billable time the techs are producing), which should be close to 100% or higher. My strongest dealership right now has five locations and is averaging over 120% for recovery," says Clements. "Dealers should also evaluate their management costs, which should be no more than 15% of total labor sales."

Parts monitoring

In the parts department, dealers should take advantage of manufacturer buying opportunities to maintain higher margins on parts. Clements also suggests a combination of variable and velocity pricing strategies.

Variable pricing allows a dealer to be flexible with the equipment's sale price. With velocity pricing, sale prices reflect a product's rank. Frequently purchased products have a higher rank and a lower price. Slow-moving products cost more to stock, so they have a higher price that reflects their low-rank.

"Dealers should work to get their margins on captive parts to around 50% or better," suggests Clements. "I would expect one parts person to be able to handle \$350,000 to \$400,000 of parts sales, and would want to keep my management costs to no more than 7% of my parts sales."

Wholegoods numbers

The way a dealer tracks their wholegoods stat depends largely on their customer base. Equipment margins vary greatly on commercial-grade or consumer equipment.

"If the dealer is focused on the commercial cutter, the margins are going to be in the 12% to 15% range

and volume has to be a part of their strategy," explains Clements. "If they are focused more on the consumer, the margins should be in the 18% to 20% range."

Dealers should also take into account that the amount of time spent working with the consumer customer on a sale is generally longer, and the average sale is lower in value.

Getting past roadblocks

There are many things that can get in the way of benchmarking. Dealers run short on time, and often lack an understanding of the benchmarking process. These two things alone can

lead to a dealer attempting to make benchmarking judgments off inaccurate data. You will not be able to make the proper decisions to improve your business' profitability if those decisions are based off of false or inaccurate numbers.

Benchmarking could be considered an all-or-nothing endeavor. To succeed in benchmarking, it needs to be done regularly and continuously, as well as cause further action aimed toward constant improvement. ■

Top 5 Business Management System Reports

✓ Sales Summary Report

Should be run daily to show Sales, Cost of Sales, Gross Profit Dollars, and Gross Profit Margins.

✓ Sales By Volume Report

Should be run monthly to show the top 50 to 100 item numbers that have both the greatest sales quantities and provide the greatest source of revenue. This report can be generated to show the least-active items that should either be marked down for liquidation or sent back to the supplier if necessary.

✓ Floor Plan Summary Report

Should be run weekly to look at both what has sold and needs to be paid for, as well as what is coming due and needs to either be sold quickly or paid off to avoid interest.

✓ Labor Efficiency Report

Should be run weekly to monitor profitability of technicians in the service department.

✓ Balance Sheet & Income Statement

This represents the overall health and success of the business and should be produced monthly. This gives the owner(s) the necessary financial information to steer their business in the right direction.

Provided by Ideal Computer Systems lead trainer Dave Baumgarten

Winning the Margin War

As the competition grows even more aggressive with pricing, dealers need to identify and recover costs in their quest to maintain margins.

Dealers are met with many challenges in business today. One that seems to be getting more difficult to overcome is stabilizing fair margins. As the cost of doing business goes up, dealers are faced with the tough choice of eating that cost on their own, or passing it onto the customer.

With tough competition saturating the market, whether you are selling equipment or not won't matter much if you aren't maintaining your margins. You need to make enough money on sales to cover increased expenses and still profit.

Recovering costs where you can

There are many necessary and unnecessary costs that can shrink your margins today as a small business owner in the outdoor power equipment industry. Figuring out where the costs are coming from that hinder your profit margins can help you to recover them.

Brent Hollopetter, president at Medina Tractor Sales in Medina, OH, says his company's operating costs are the biggest issue they have to deal with. He makes it a point to do monthly evaluations of expenses to see where they can cut some costs. Some of those costs, where possible, are handed down to the customer.

"Most all our services are itemized," says Hollopetter. "We have added fees to our invoices to cover some costs, but you can only do that so much."

Hollopetter says his customers seem to be more understandable about things such as delivery costs and labor rates. However, customers will only welcome so many fees after the published price of a product or service before they feel cheated.

While assessing your overhead costs, it is important to realize there are some areas you may not want to skimp on expense to grow profits. Investing in a good staff is investing in your bottom line.

"Right now the business overhead is hard to lower without sacrificing top-notch employees and the benefits we offer," says Hollopetter. "There are a lot of dealers who do not have a good parts and service team."

While dealers do all that they can to increase sales and maintain margins, not all of it is under your control. Political issues and policies along with economic uncertainty also play a role.

"Overall, the economy is getting better slowly but surely," says Hollopetter. "I'll be glad when the presidential election is past, so we can get on with business. People tend to listen to the media a lot more and make buying decisions based on what they hear."

Sell services to maintain margins

One of the main things that drives down prices and shrinks margins is the pressure from the competition. Increasing the ticket price on equipment to cover expenses is a big challenge, especially with a large base of price-

cutting competition in the form of Internet retailers and big box stores.

"There are a lot of variables that affect the margins on wholegoods," says Hollopetter. "I would say the biggest problem with wholegoods prices is the Internet. People will shop the Internet first, then use it to get dealers to lower their prices."

Retailers who sell solely on the Internet generally have less overhead in comparison to independent dealers. To remain competitive and hold your price, it is important to partner with manufacturers who only offer products through their independent dealers.

"To maintain a good profit, we have to work with our suppliers and use selling skills to get the customer to buy from our business," says Hollopetter.

When you have taken control of all that is in your power, the last thing you can do is sell your value. Figure out what it is that you offer customers that sets you apart from the competition and educate them on the benefits you provide. With a higher product price, a higher value must follow. Sell customers on your knowledgeable service and the close dealer-customer relationship you can provide.

"The customers who are not going to let businesses make money probably do not understand how a small business works and how many families they support," explains Hollopetter. "We have to really sell our after-the-sale backup on parts and service." ■

Think Beyond Products to Draw Customers

Using innovation within the dealership to attract and retain customers.

Innovation means more than new products, it means thinking about everyday things at the dealership you can improve and use to reach out to new customers and serve them better.

What does innovation mean at the retail level? Yes, it means having fresh products to stock in the showroom. But it can also mean serving customers better, enhancing their experience and bringing them new value. GE has seen first-hand how retailers have boosted revenues using practical and relatively inexpensive ideas.

Leverage the Internet

The Internet can be a powerful tool for independent dealers that want to compete with home and garden chains. Having a robust web presence means potential customers are able to comparison shop more easily.

One large consumer-focused dealer excels at selling over the Internet. The business' site allows customers to compare side-by-side features of various models, as well as engage in a live chat with a dealership employee on equipment specifications. Although Internet retailing isn't widespread among lawn and garden dealers, many find that it boosts their sales.

Dealers are also realizing the

benefits of building relationships via Facebook and Twitter. Creating a digital community of local enthusiasts for your products may encourage loyalty and keep you in the forefront of the minds of your commercial customers.

Dealers are using Facebook to advertise specials, showcase new equipment in the showroom, and to distribute service flyers and invitations to open houses. To encourage online interaction with their Facebook fans or Twitter followers, some dealers offer a small prize or a limited-time discount offer.

Provide added value

Commercial landscapers value their relationships with local dealers. Many regularly attend dealer-hosted open houses. You can maximize the purpose of the annual open house for your contractors. Some dealers are viewing their open house as the perfect opportunity to provide customers with educational material and at the same time showcase new products.

A dealer could present informative workshops with external speakers, such as an examination of the tax benefits of leasing versus buying new equipment, or a primer on simple equipment maintenance. Offering the educational services to customers

shows you are investing in their success as well.

Keep customers coming back

A third non-product innovation theme is maintaining relationships with key accounts. For instance, one Texas-based dealer hosts a monthly barbecue lunch for its existing and prospective commercial landscape customers. The dealer displays equipment alongside the barbecue pit and picnic tables in the parking lot so buyers can walk around and look at the newest products. It's a unique way to keep customers coming back regularly. It keeps them familiar with the dealership products and service offering.

Making it as a business today means new players and new rules. Dealers have realized they can't rely solely on manufacturers to deliver innovation in the form of new products. To create a true strategic advantage, dealers must continually pursue innovation close to home. ■

About the Authors

By Caroline Steele, growth & innovation leader, GE Capital, and Jeff Malehorn, president and CEO of GE Capital, Commercial Distribution Finance



How to Properly Market Green Products and Services

Truthfully marketing the green side of your business' products and services to the right customers can help you to successfully tap into green consumerism.

Green consumerism is on the rise, and so is green marketing. As more and more manufacturers tout their sustainable products, and dealers use sustainable operating as a way to attract environmentally conscious customers, proper green marketing is essential.

With the increase in businesses marketing their sustainability, green marketing is not as simple as it once was. You cannot just slap the word "green" on your marketing materials and stand by as the sales sky-rocket.

More consumers are calling claims of green products and operations into question. If you are forthright in your

marketing message, you can reap the benefits.

Honest marketing

It is important to keep your level of green marketing in line with your actual green operation. You should always avoid "greenwashing", or overstating the environmental benefits of a product or service you provide as well as the level of sustainability practiced in your operation.

Give customers a clear view of your products and operations so they can see the bad with the good. For example, let them know that while you might use energy-efficient bulbs

in the dealership, you have not quite reached paperless status. If that is your goal, share that information with them. Tell them why it is important to you and how you wish to achieve it, and by when.

75% of those surveyed are interested in buying lawn and garden products that are green or environmentally friendly.



Know your green customers

Before you start marketing your green products and services, you should know who your environmentally conscious customers are and what level of marketing is required to attract them to your green offerings.

To learn more about who your potential green customers are, conduct surveys inquiring about their green-buying habits. What do they look for in a business that claims to be sustainable? Learn their desires so you know best how to communicate the benefits of dealing with your business to them. You may also learn new ways that you can improve your sustainable efforts.

According to the Natural Marketing Institute's (NMI) Lifestyles of Health and Sustainability (LOHAS) Consumer Trends Database, more than 80% of the total U.S. adult population shows some type of "green motivation".

The level of motivation among these consumers varies, and so do their buying habits. LOHAS lists the five following types of consumers:

Lifestyles of Health and Sustainability (LOHAS) – early adopters and trendsetters driven by a sense of social responsibility. They make up 18% of the population and are active stewards of the environment, dedicated to personal and planetary health. LOHAS consumers are the heaviest purchasers and influencers of the green/socially responsible products.

Naturalites – Individuals motivated by personal wellness and a desire to live a healthy lifestyle

Drifters – Trend followers who want to be seen participating in the green movement but lack genuine concern for the environment

Conventionals – Individuals who have sustainable habits, like reusing grocery store bags, but are more motivated by their desire to save money

Green Consumer Buying Habits

The NMI Lifestyle of Health and Sustainability (LOHAS) Consumer Trends Database offers the following information on green buying habits.

While the numbers have gone down slightly, it may be due to the current economic state and lack of consumer confidence. Consumers who are on the "greener" end of the spectrum are likely to still be influenced by a company's green marketing as well as sustainable habits and products.

Knowing a company is mindful of its impact on the environment and society makes me...

...more likely to buy their products and services - 51% (54% in 2008)

...more loyal to the company 48% (53% in 2008)

...more likely to talk with my friends and family about the company - 40% (44% in 2008)

...less concerned with the price of their products - 25% (24% in 2008)

% agreeing completely/somewhat

This is the most recent data from 2011.

and reduce waste than they are by social responsibility

Unconcerned – Those not involved or engaged in environmental issues.

Pinpoint which category each of your customers fits into and adjust your marketing efforts accordingly. As sustainable products are becoming more mainstream, individuals from each of these categories are buying them. The difference, however, is the level of green marketing required to attract them.

Share responsibility

Go one step beyond offering customers sustainable products and services, and share some of that environmental responsibility with them. Not only do customers appreciate when a dealer acts as a resource for them, but green consumers will appreciate your knowledge of sustainable living. Provide customers with information

on how to operate sustainably and offer them solutions for execution with your products and services.

According to NMI's 2011 LOHAS database, 13% of survey respondents had purchased environmentally friendly lawn and garden products in the 12 months prior. Additionally, 7% had purchased environmentally friendly pest control products. The report also states that 75% of those surveyed are interested in buying lawn and garden products that are green or environmentally friendly.

You should also reach out to manufacturers for extensive literature on how environmentally friendly their products are, as well as the most sustainable way to operate them as far as run-time, maintenance and fuel. They should also be able to provide information on equipment recycling. ■

For information on how STIHL Inc. continues to work toward socially responsible environmental stewardship in their products and manufacturing, visit stihlusa.com/products/technology/the-road-to-green-is-orange

10 Tips for Effectively Handling Customer Complaints

Ease the customer's qualms by being apologetic yet firm.

For every customer who actually comes to complain to you, there is a quantum number that won't. They are the ones who go off and tell somebody else, complain about you online, and take their business elsewhere.

Let's say one out of 100 of your customers actually come to you with their complaint. Shouldn't you really value that person times 100? Because they're representing all the other people who never came to you, you should be happy—or if not happy, at least very appreciative—when someone actually takes the time to give you a second chance.

There are ways you can use customer complaints to uplift your service and improve the experience for all your customers in the future.

1 Thank them for their complaint.

Give positive recognition by saying, right off the bat, "Thank you for reaching out".

Show appreciation for the complaining customer's time, effort, communication, feedback and suggestions. Always keep in mind that the customer didn't have to come to you at all. He could have simply taken his business to your competitor. When a customer gives you the opportunity to recover their service, be grateful.

2 Don't be defensive.

It's easy to get defensive when an angry customer is on the other end of the line. Customers with complaints exaggerate situations, they get confused, and yes, they may even lie about how things went down. It's tempting to just blow off the customer, but getting defensive will only lead to more problems.

When you get defensive, you raise the temperature even higher. Think about the last time you had a disagreement with your spouse. How did it make you feel when he or she told you that you were wrong about something or completely denied that a set of events happened the way you said they happened? You were probably not very happy.

When a customer complains, they're doing so because they feel they were wronged in some way. You don't have to agree with what they're saying, but you do have to agree to hear them out. That's how you keep the conversation moving in a positive direction.

3 Acknowledge what's important to them.

Service providers must find out what is important to the complaining customer. Even if you think the customer's complaint is unfair, there is something they value that your



company didn't deliver on. Find out what they value and embrace it.

What the customer wants is to feel right. When you agree with their value dimension, you're telling them they are right to value this specific thing. For example, if a customer says your service was slow, then that customer values speed. You might say, "Absolutely, you deserve quick, efficient service".

Or if a customer says your staff was rude, you might say, "We do agree that you should be treated with courtesy and respect every time you come to our store".

When you validate what a customer values, you aren't agreeing with them that your service is slow or that your staff is rude. Instead you are saying, "We agree with you on what you find important and what you value. And we want to deliver in those areas".

4 Use judo, not boxing.

In boxing, you go right after your opponent, trying to punch him

to the ground. In judo, you work with someone else's motions to create a desired result. You use another person's speed and energy to spin him around and then end up together on the same side.

When you show a customer you understand what they value, you're catching them off guard with your own movement. They don't expect you to tell them that they're right. Suddenly, just as you might do in judo, you've avoided a defensive confrontation and you can spin them. In judo, you'd spin them to the ground. In customer service, you use the opportunity to show the customer that you're now both on the same side and you can work together.

5 Apologize once, upfront.

Every service provider knows that the customer is not always right. But the customer is always the customer. You don't have to tell the customer you were wrong, but you should apologize for the inconvenience they've experienced. When you do so, you're showing understanding and empathy for their discomfort, displeasure or inconvenience.

6 Explain the company's desire to improve.

When you understand what the customer values, show them things your company does that helps you perform well in that area. For example, let's say a customer is complaining because an equipment repair took longer than expected. You would say, "We understand that quick, timely repairs are important to our customers". The unhappy customer will probably say, "But you failed in my case and the repair took a long time".

Calmly explain to the customer what caused the repair to take so long (waiting on a part that wasn't in stock, a rush of repair orders,

etc.). Then reassure the customer by explaining how you are working to find a solution (more parts in stock, hire an additional technician in peak months, investing in a Business Management System for better scheduling and tracking of repairs, etc.)

Show you are sincere about your commitment to do well in the areas the customer values. At the very least, you can say you will make sure everyone in the company hears their story and won't let it happen again. When you express the company's desire to improve, you start on the path to rebuilding its credibility with the customer.

7 Educate your customer.

Part of hearing the customer out is answering any questions they ask about their specific situation. It's important you can provide additional, useful information. If they ask a question that you can't answer or don't know the answer to, tell them you'll find out the answer and quickly get back to them.

Actually follow through on this promise. Contact the customer with the answers they requested, and even if they might not have requested an update about their situation, get back in touch with them anyway. These are additional opportunities for you to show through your actions that you care about the customer and value their business.

8 Contain the problem.

Let's say a family is at a crowded theme park on a hot day. The youngest child in the group starts to have an all-out meltdown. Suddenly, a theme park staff member sweeps onto the scene and whisks the family into a special room. Inside, they find an air conditioned room with water and other beverages,

Show you are sincere about your commitment to do well in the areas the customer values. At the very least, you can say you will make sure everyone in the company hears their story and won't let it happen again.

an ice cream machine, a bathroom, a comfortable sitting area, etc. The only thing missing in the room is any connection to the theme park's brand. That's because this room is used to isolate customers from the brand until they're all—parents and children—having a more pleasurable experience.

The room is also being used to isolate the unhappy family from the families outside the room who are enjoying their day at the theme park. And finally, they're being isolated from some park staff who may not be as well-prepared as the staff member who brought the family to the room to handle these sticky situations.

That's how you contain a problem. Have a knowledgeable employee who works well with customers pull the individual inside an office to address the individual's concern. It shows the customer that they have your undivided attention while at the same time keeping their discontent off the showroom floor and away from other customers.

9 Recover.

Show the customer you care about them, even if you feel the company did everything right, by making them an offer. Companies worry that they'll get taken advantage of if they give vouchers,

discounts or freebies as part of their service recovery, but the reality is that almost never happens.

Offer the customer something and then explain that you're doing so as a gesture of goodwill or as a token of appreciation. Sears takes recovery seriously. The company now has a "blue ribbon team" of specially educated and empowered staff to handle recoveries. Once an issue goes to them, anything they recommend is what gets done. They have full support from the top down. Sears does this because the company understands that a successfully recovered customer can become your most loyal advocate and ally. Develop a protocol with staff for handling vouchers or compensation for complaints.

10 Give constant complainers an out.

Some people just love to complain. These kinds of customers complain, not so that they can become satisfied, but because they are never satisfied. With serial complainers, you must limit your liability and isolate them from your brand. Apologize for not being able to meet their needs and suggest they try another dealer.

Your customers are not your enemy. It's sometimes hard to remember that when you're involved in a tense complaint situation, but they're essential to your business and you really are both on the same side. Your customer wants the product or service you provide, and you want to give it to them. When you treat complaints as opportunities to build loyalty, you can create customers for life and uplift your entire company in the process. ■

Say What? Five Quick Scripts for Responding to Customer Complaints

The last thing a customer with a complaint wants to hear you say is that they are wrong. What they want to hear is that you understand them, appreciate them and agree with them on the importance of the value they have cited in their complaint.

Here are a few quick scripts to use when responding to customer complaints:

Customer Complaint: Rude Service

Your customer says: "Your staff was rude and totally unprofessional."

You say: "You are right to expect courteous, respectful and professional staff."

Customer Complaint: Too Many Rules

Your customer says: "Your return/rental policies are so rigid."

You say: "I agree that we should be as flexible and user-friendly as possible. Your suggestions can really help."

Customer Complaint: Overpriced

Your customer says: "This product isn't anything like what I wanted. And your price is way too high!"

You say: "I am on your side in this situation. You have a right to be satisfied with whatever you purchase from us. You deserve good value for your money. Let's review what you have purchased and see if there's a better option for you."

Customer Complaint: Too Slow

Your customer says: "I've been waiting forever. Why did it take you so long to get help?"

You say: "We understand that in today's world, speed counts. You deserve fast, friendly service."

Customer Complaint: Bad Website

Your customer says: "Your website is terrible. I couldn't find the information I needed."

You say: "You are right to want an informative, user-friendly website. What information couldn't you find? Your suggestions on how to improve the site are a big help."

Notice how your responses make the customer feel right. We don't argue over the facts: rude staff, stiff policies or insufficient product features. But we do actively agree on the importance of what they value most.

The customer is not always right, but customers are always important, and we can make them feel much better by agreeing with them on the importance of the service they value.

About The Author

Ron Kaufman is the author of *Uplifting Service: The Proven Path to Delighting Your Customers, Colleagues, and Everyone Else You Meet* (www.UpliftingService.com). He is a thought leader, educator and motivator for uplifting customer service and building service cultures in many of the world's largest and most respected organizations. He is the founder of UP! Your Service, a global service education and management consultancy firm.

Caring for the Contractor

Learn what your contractor customer needs to succeed in business and offer them that—and then some.

Contractor customers offer you regular parts business and high-margin equipment sales. Attracting them to your dealership with marketing is the first step, but keeping them around requires building a bond. A bond with the customer can be built on genuine concern for their success and contractor-exclusive services provided after the sale.

It starts with service

There are many reasons a landscape contractor chooses a certain dealer to partner with, but it mainly boils down to service. While product loyalty goes a long way, if the service isn't there to back it up, contractors will go elsewhere.

"Personalized service would have to be the number one reason I chose independent dealers over 'big box' stores," says Bryan Mours of Mour Growth Consulting and a previous landscape contractor for over 20 years. Mours also spent time on the other side of the business with LESCO, which is now John Deere Landscapes.

"The dealer learns the contractor's

needs quickly and works feverishly to meet those needs," Mours adds. "They call on the contractor regularly and alert them in advance of inventory changes and deals."

Show a professional and personal interest

The way to succeed in meeting your contractor customer's needs is to know all that you can about their business. Maintain constant and open communication with them so you can stay on top of any changes that could affect what they require from you.

Also show an interest in them personally, to show you not only care that their business succeeds, but that they themselves are happy. This shows that you care not just about the business they bring you, but for them as individuals.

"It is always nice to walk in somewhere and be greeted by name, and to be asked not only how business is going, but how things are in my personal life," says Mours.

Going the extra mile

Dealers have many opportunities to go the extra mile with contractors, offering everything from a cold bottle of water to exclusive service hours. Whatever is within your means for showing contractors they are a priority, you should be doing it.

"Often times dealers would come to our office with a dozen donuts or meet me in the morning for a cup of coffee," shares Mours. "Most dealers would also have a yearly cookout for their valued customers."

Beyond appreciation events and

items, you should find ways to show contractors you value their business with your services. Special services that save them time and show they are priority customers go a long way in building that bond.

"I had an independent dealer who had a second-shift mechanic that would repair my mowers at night so they were ready for me the next day," says Mours. "Some dealers also offered the delivery of small items like equipment parts or urgent deliveries right to my jobsites if I was short something and needed it to finish the job that day."

Another way to save your valued customer's valuable time is by offering certain fringe items that eliminate a stop for the contractor during their busy day. Some dealers with larger operations offer mulch, but there are some lower-maintenance items you can stock as well.

"Small drainage parts like tees, elbows and connectors require less space," explains Mours. "Bags of fertilizer, grass seed and some herbicide was nice to get me through until my truckload of product came in."

Talk to your customers and find out what products and services could make life easier for them. Keeping an open dialogue with them about their needs and how you can meet them shows the level of care and service you are willing and able to provide.

"My dealer would add things to their inventory because they knew I would buy it regularly," says Mours. "It was nice that they always cared about my needs and did what they could to accommodate." ■

Take-home Tips

- Learn as much as you can about your contractor's business
- Show an interest in them personally.
- Be proactive in your communications, keeping them open and constant.
- Offer fringe items that mean added convenience for the contractor.
- Host customer appreciation events regularly.
- Offer things like cold water and snacks to landscape crews.



Better Hiring, Better Business

Three ways to ensure an effective hiring process that helps you build a better staff.

The hiring process can sometimes feel like a necessary evil. You need staff to back you up and support your dealership, but if you hire the wrong people for the job, you are almost worse off than if you were on your own.

Evaluating your hiring process as well as your expectations of employees can help you to staff your dealership with individuals that share your values and improve the likelihood of

success for your business. Having the right staff on-hand and committed to your business over an extended period of time allows you to spend less time on people problems, and more time focusing on your dealership and customers.

1 Be clear and collaborative

In order to be effective, the hiring process needs to con-

nect the employer, existing staff, and potential future employees with clear expectations of everyone involved. According to John Pate, president and CEO of LS Screening, the number one mistake made in the hiring process is assuming anything. In order to find what you are looking for in an employee, you need to be clear and concise about what you want from the potential employee and what they expect from you.

The hiring process also needs to be collaborative. Pate warns against leaving the hiring process up to one individual, as it may hinder your chances at success. When you are all working together as a team, the team should help in the decision-making process.

"You have to have each stakeholder involved in the process," says Pate. "Everybody has to feel empowered and accountable."

The hiring process is a learning process. As you try to perfect it, learn from your mistakes and work collaboratively with the staff to evaluate what has worked throughout and what changes need to be made.

2 Measure your success rate

Many people make the mistake of not evaluating their hiring process and its effectiveness. Measuring its success is the only way you can improve the process and maintain a quality staff for longer periods of time.

"You have got to keep score," says Pate. "It is the only way to determine the effectiveness of your hiring process."

According to Pate, there are two important metrics in measuring the success of your hiring: *when* people leave and *why* people leave. Knowing *when* can help you to better understand *why*.

"In every business there is what I call a line of demarcation," explains Pate. "If you can keep people up to that point, the chances of them staying until your retention day are very good."

Your retention goal is the time an employee spends with the company where you feel you have gotten a return on your investment. Dealership employees have different skill sets and job requirements depending on their departments. This means a different retention goal for each position within

Having the right staff on-hand and committed to your business over an extended period of time allows you to spend less time on people problems, and more time focusing on your dealership and customers.

those departments.

"If you have someone answering the phone that stays six months to a year, that's pretty good," says Pate. "But a mechanic you may want to stay two or three years before you get a return on the investment you made in hiring them."

Decide on a retention goal for each position and measure the number of people that meet that goal. Then, discover the *why* and *when* for those who depart before that goal, and use that information in hiring the right person for that position next time around.

3 Know who you are and what you want

A big reason why a lot of dealers find themselves disappointed in a recent hire is because they didn't start the hiring process off with a clear idea of what they wanted in an individual. You cannot hire the right person for the job if you do not know what characteristics you want in a person or what you will require of them.

Pate suggests looking for certain psychological factors that will help a person to excel in the position you are hiring them for. If they are in the front end of the business dealing with customers or in the back working on

equipment, they should possess certain qualities that make them the right person for that job.

"You should know what you are looking for going into the interview," Pate explains. "Do you actually like this person? If they can get along with you, they can probably get along with everybody else. Ask yourself if they will fit in. Can they communicate well and does their experience match your needs?"

The interview is the time when you need to ask yourself these questions and evaluate the individual's personality. Assess their attitude toward people, their energy level and intelligence, if they have a coachable personality, and if they have a take-charge attitude. The interview is where the applicant will best present themselves, so if they are lacking in any way, trust that it will only get worse.

"An interview is like a first date," says Pate. "That is as good as it is going to get. If someone walks in not clean-shaven, their hair a mess and disheveled, that is the kind of employee you are going to get."

While it is important that you are impressed by the job candidate, you also want them to be happy with what you, the company and the position have to offer. Especially when it comes to hiring a qualified technician, you want them to desire the position as much as you want to hire them to fill it. Share the company's values and goals with them so they can decide if they are in line with their own.

"Make a good first impression," says Pate. "Your hiring process begins when the applicant walks in. That's when your values and standards are on display." ■

Learn more by contacting John D. Pate, president and CEO of LS Screening, at john.pate@lsscreen.com or by visiting lsscreen.com.



Are You Ready for STIHL at GIE+EXPO?

GIE+EXPO



October 24-26, 2012
Kentucky Exposition Center
Louisville, KY
www.GIE-EXPO.com

NEW Dealer-Only Preview Day

Wednesday, October 24 | 3:00 p.m. – 7:00 p.m.

You spoke and show management listened. For the first time ever, GIE+EXPO is providing a day exclusively for dealers! The show floor will be open only to dealers, retailers and distributors, giving you the opportunity to meet one-on-one with exhibitors and preview new products.

YOU'RE INVITED! Wednesday, October 24, 3:00 – 7:00 p.m.



STIHL is celebrating Oktoberfest style, and you're invited! Join us in the STIHL booth (#5080) Wednesday for beer, brats and a special presentation!

- One lucky Oktoberfest attendee will win \$5,000!*
- Preview the newest STIHL products.
- Hear from STIHL representatives during a special dealer presentation at 5:00 p.m.
- Be there for the unveiling of the STIHL iCademy® Challenge: Train2Gain Sweepstakes. Be the first to hear how STIHL dealers and their employees can win BIG prizes!

**Must be present to win*

Dealer Resource Roundtable Breakfast

Thursday, October 25: 8:00 – 9:30 a.m. | \$25 per person

Sponsored by STIHL and Gravelly

Dealers have said time and again that one of GIE+EXPO's greatest benefits is the opportunity to learn about the best practices of their peers. Don't miss this opportunity to network with dealers and industry experts from across the country and hear their most effective strategies for profitability in the service department, in-store marketing, social media, lean management, digital direct marketing and more. Register at GIE-EXPO.com.

Check out all the latest STIHL products at Indoor Booth #5080 or visit www.stihlusa.com!

Dealer Resource Pavilion

Sponsored in part by STIHL, the Dealer Resource Pavilion will benefit dealers of all sizes with educational sessions providing step-by-step recommendations to help improve dealership operations and increase profitability.

Educational Sessions

Sessions will be led by Bob Clements, who has earned a reputation as the go-to consultant for building profitability in outdoor power equipment dealerships. Sessions include:

- **Keys to Improving Technician Efficiency**
- **Pricing and Flat Rating Service Work**
- **Strategies for Improving Parts Profitability**
- **Branding and Marketing Your Dealership**
- **Developing a Successful Business Plan**
- **Negotiating and Closing the Sale**

For a full schedule of educational sessions, and for registration details, visit GIE-EXPO.com.



Independent We Stand

STIHL is proud to be a major sponsor of Independent We Stand, an organization that promotes independently owned businesses and touts the benefits of “buying local.” Since 1974, STIHL has “walked the walk” by selling its products through a network of independent, locally owned, servicing dealers. Visit IndependentWeStand.org or visit the STIHL booth (#5080) to join the movement!



Join the STIHL Community!

- On the Go? Text **JOIN** to **78445**. Reply **HELP** for help. Reply **STOP** to cancel. Message and data rates may apply.
- Find us on Facebook: [Facebook.com/STIHLUSA](https://www.facebook.com/STIHLUSA)
- Follow us on Twitter: [Twitter.com/STIHLUSA](https://twitter.com/STIHLUSA)
- Check us out on YouTube: [YouTube.com/STIHLUSA](https://www.youtube.com/STIHLUSA)

STIHL®



Playing for Keeps

Create a supportive environment so you don't spend time grooming the perfect technician only to lose them to a competitor.

As dealership service departments are slammed with repair orders, keeping the department staffed is the main focus of dealers. Finding qualified or trainable technicians and keeping them happy is a constant effort.

As competing dealers fight for techs from the same small pool of qualified individuals, you need to attract and retain technicians to your dealership through your on-the-job support and company culture.

Finding qualified technicians

The first part of the struggle to keep a service department staffed is locating qualified technicians. High school graduates and individuals finishing military service who have shown an interest in small engine repair are two good candidates for on-the-job training.

"The military provides excellent training and discipline, two things a dealer is looking for," says Jim Roche,

executive director for the Equipment & Engine Training Council (EETC). "Partner with local high schools and tech colleges that have a power equipment training program to have access to candidates."

Roche advises joining the school's advisory council for the program to get access to the best students and influence the curriculum. Patty Williams of Mark Williams Outdoor Equipment in Murphysboro, IL, has implemented an internship program and employs two part-time technician interns annually from the local high school.

"The intern doesn't do the technical things, but they help by preparing tools, parts and equipment for the others," says Williams. "Occasionally, that intern will stay with us through college."

Roche would agree that Williams is taking the right approach in being proactive. Keeping your eye out for technicians before you need a replacement will help greatly if your current tech leaves, and your customer service

“You never know when your best guy or girl is going to leave you, so you should be looking all the time,” says Roche. “This is why getting involved with schools is so important.”

Jim Roche, EETC executive director

has the potential to suffer.

“You never know when your best guy or girl is going to leave you, so you should be looking all the time,” says Roche. “This is why getting involved with schools is so important.”

Grooming and supporting your tech

Once you have found an individual for the job, you should groom them by helping them to further develop their skills in the service department. An investment in your technician’s abilities is an investment in the success of your service department.

“A graduating student isn’t ready to take on the task of head technician,” says Roche. “But if a dealer hires who he sees has great potential, he can bring him in and nurture him to get him up to speed.”

In addition to providing technicians

with the education and training they need to succeed in their job, the right tools in the shop offer additional support.

“We provide them with the tools to do their job efficiently,” says Williams. “We give them the tools both in their environment in the shop, and educationally through training.”

Williams has instituted an allowance program that gives employees the opportunity to earn credits toward purchasing education or tools that will help them to better perform their duties.

Keeping them happy

If your technician becomes unsatisfied with the work environment, they can easily find work elsewhere. Many of your competitors may have even contacted your tech with what sounds like a better offer.

Three Tips for Getting and Keeping Technicians

1. Join the advisory board for local small engine schools to get access to candidates.
2. Offer technicians opportunities to further education and possess tools for the job.
3. Go beyond competitive compensation and offer a company culture that attracts.

“Our techs are constantly contacted by other dealerships,” says Julie Muehlhauser, operations manager at Scott’s Power Equipment Inc., with several Missouri locations. “Many dealerships in the area recruit very aggressively in the spring, only to lay everyone off in 60-90 days.”

Competitive wages and good benefits go a long way to keep techs loyal. However, if they are not happy with the working conditions and company culture, they may be more than willing to trade in perks like pay for a better day-to-day experience.

“Our pay is very competitive and that always helps,” says Muehlhauser. “However, our family atmosphere and the fact that they know there is some stability in their position is what really keeps them around.”

Creating an inviting place to work with opportunities of further education is essential to your technician’s job satisfaction. Involving your tech in the business’ day-to-day makes them feel committed and invested in the dealership’s success. With those feelings of loyalty, they will be less likely to look for work elsewhere. ■



How To Use Money To Drive Technician Performance



An analysis of the four most common compensation plans will help shed some light on what you can do to get the results you need from your service department.

As a consultant to the outdoor power equipment industry, one of the biggest mistakes I see made in dealerships across North America is how employees are compensated. As I work with dealerships, I encourage them to re-evaluate why they pay their employees the amounts that they pay them, and if the compensation plan they use drives the results they are looking for.

I can't tell you how much money I have wasted in the 25-plus years I have been in business because of compensation programs that just didn't deliver the results I was trying to get out of my employees. In most cases, I overpaid for the

results I received—which left me feeling like a fool at the end of the year. I was working more hours than anyone else, but was making less money in some cases. Yet I had all the risk!

In the beginning I believed that if you paid employees well, they would appreciate what you were doing for them and drive harder to help make the business a success. I was wrong! In all but a few circumstances, I paid out more, but got less performance and whining employees who didn't appreciate what I had done.

Lessons learned

As I work with dealers today, I take the lessons that I learned and try to help apply them in their dealerships to drive the performance they need to reach the success and profitability they are striving for.

Let's use the service department to look at four compensation programs that exist in dealerships today, and evaluate how each will impact the overall success of the dealers that utilize them.

It's important to understand that I am going to be dealing with some generalities, and that there are going to be variations you may have on these compensation plans in your own dealership that make them work for you. If that is the case and you feel your compensation program



“Regardless of how you currently compensate your people, you owe it to yourself and your dealership to take some time and ask yourself if it motivates your people and drives the performance you are looking for.”



gets you the results you are looking for, then don't change it.

1. Straight hourly pay

The most common compensation program in dealerships today is paying technicians an hourly rate. It ranges anywhere from \$9 per hour to \$25 per hour, and in most cases is based upon how long the tech has been working at the dealership.

The upside is that it is very simple to administer. The downside is that there is no incentive for the tech to drive performance. In many cases the dealership ends up overpaying a tech with lot of years of attendance (notice I didn't say experience) and underpaying a younger tech with good experience but not many years of attendance.

2. Percentage of labor hours

In this comp plan the technician will get a percentage of the labor hours produced. So if the tech bills-out one hour of labor and the rate is \$70 per hour, he would end up with a percentage of that \$70. The percentage varies a lot by dealership, I have seen it as low as 20% and as high as 50%.

The upside is that if the tech doesn't bill-out any labor, he doesn't make any money and the dealership doesn't have any labor cost associated with that tech. Also, any comebacks are totally at the tech's expense.

The downside is that the techs are now like straight-commission salespeople. Thus, you don't have a lot of control over what they do. If they

want to hustle and make money today, they will. If they are tired from a long night out and decide to kick back, your work flow will suffer.

The other challenge is that when you start paying out 40-50% for labor, your labor cost-to labor sale ratios get way out of line. Your target is to keep your base labor cost at no more than 35% of your labor sales at 100% efficiency.

3. Salary

Paying techs a weekly salary is not a very common compensation program, although over the years I have seen it in some dealerships. It's simple to manage. However, I have seldom seen it work effectively.

The challenge with salary in any position—whether it is service, parts, sales or management—is that it breeds complacency. If you only make so much, and your future salary is controlled by someone and determined by some arbitrary method, it's hard for most people to strive to perform.

4. Hourly rate plus bonus based upon efficiency

In this compensation program the tech is paid an hourly rate based upon their level of experience. For example: C-level tech \$8-10, B-level \$10-13, A-level \$13-15. The remaining money they earn will be based upon the level of efficiency they reach. The minimum level is 85% while the top level is 125% and higher.

In this plan the tech has the ability to make an increasingly larger bonus per billable hour based upon their speed and training. The down side is that it takes a little more time to keep track of the efficiencies for each tech, and the dealership needs to move to a heavier percentage of flat-rate repairs.

The upside is a strong drive by the techs to reach higher performance—which produces more dollars for the dealerships and faster turn times for the customers.

Regardless of how you currently compensate your people, you owe it to yourself and your dealership to take some time and ask yourself if it motivates your people and drives the performance you are looking for. If not, make some changes as you move into next year.

Remember, your goal is to push your dealership and your employees to produce the results you are looking for—and to help you maintain your competitive position in your market. ■



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, visit www.bobclements.com.

Keeping Techs Top of Mind

With fewer qualified technicians to choose from, dealers and manufacturers should work together to raise competency.

Service departments these days are slammed with repair orders from cautious consumers repairing equipment for what might be the last year of its life. It's a demanding time for the service department and dealers are relying heavily on their technicians—when they can find the right ones for the job.

As the industry consolidates and the economy leaves people from all areas looking for work, there are plenty of people out there interested in being a small engine technician. The problem is that there is a shortage of qualified individuals to do the work required of a technician as equipment technology continues to evolve.

Focusing on raising the level of competency in technicians along with their compensation will keep service departments staffed and meeting today's demands.

Assessing the shortage

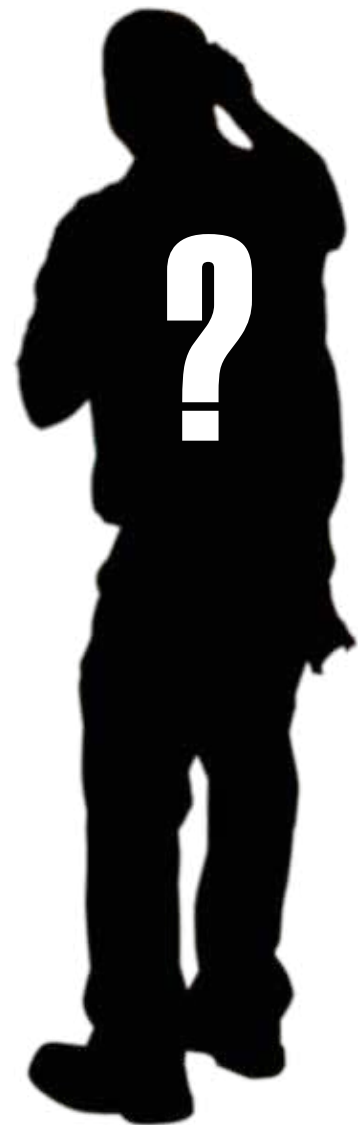
Industry members have long noted the shortage of people interested in small engine repair. Now, with the poor economy still playing a role and leaving people without work, individuals looking for gainful employment are giving more thought to turning a wrench. On top of that, there is also the consolidation of dealerships in some territories resulting in techni-

cians already within the industry looking for work.

"There has been a little bit of a downturn in the need for technicians because of the economy," says Jim Roche, executive director for the Equipment & Engine Training Council (EETC). "Overall, I think the need is going to get even lower. When we first started the EETC in 1997, there was a shortage of 30,000 technicians in the U.S. That has lessened a bit now with the recession because a lot of dealers have closed their doors, but there is still a need for qualified guys."

The problem is that with new technology, the industry needs more than a "wrench turner". With service department demands increasing, the industry needs highly skilled small engine technicians.

There are three levels of STIHL-certified service training—Bronze, Silver and the extensive Gold training level. STIHL MasterWrench Service certification is granted exclusively to technicians who are able to pass all three



levels of the training.

"With the higher technology we are putting out there, technicians need to know so much more to work on equipment," says Scott Mack, senior training specialist at Kohler. "We need to know that technicians can do the job. With more complex engines, we need to know they understand what they are doing so we can satisfy our end-user customers as well."

Encouraging technician certifica-

It is important that dealers understand the importance of keeping their technicians certified and treating them as lifelong learners of the trade. The dealer push for certification is a great help to the industry's overall efforts.

tion is now even more of a focus for dealers and manufacturers who don't want to rely on the know-how of new entrants to the field. While the number of people interested in the profession continues to increase, the number of skilled technicians remains the same—and it's a small pool to pick from.

"The shortage of qualified technicians is still very much there," agrees Bruce Radcliff, Briggs & Stratton's director of customer education. "Although there has been much effort, I don't think it's much different today than it was five years ago as far as the number of quality technicians."

Raising competency

As manufacturers push to raise competency in technicians, they have started by making training and certification more easily attainable. Technology has afforded many dealers and technicians the ability to stay up-to-date with testing and certification easily and affordably.

Briggs & Stratton has embraced technology as a means to communicate with and educate technicians. Their website provides online training and competency testing for dealers to gauge their technicians' abilities. They see that the value is in certification and not necessarily the face time provided by attending update schools.

"The requirement used to be that technicians attend a school," explains Radcliff. "We are moving from them attending with a warm body and a pulse to competency-based. We care less about how they gain the competency and more about if they can prove it."

Updating tests with the changing industry demands is also important. Many manufacturers continuously evaluate their test content based on the testing scores of technicians.

Hosting online teaching and testing can also be a selling point for dealers

who fear technicians attending update schools will be approached by other dealers in search of a qualified tech.

"Dealers are sending as few people as possible, and many times they themselves are the ones that are certified," says Mack. "They fear that their technicians are going to move around from dealer to dealer, and the dealer wants to keep that certification. The problem is that the dealer isn't always the one working on the machine. Dealers as well as technicians need to see the value in the certification."

It is important that dealers understand the importance of keeping their technicians certified and treating them as lifelong learners of the trade. The dealer push for certification is a great help to the industry's overall efforts.

Attracting and retaining younger technicians

For dealers, attracting the right technicians and keeping them can make or break the service department. What attracts technicians to a dealership is changing as the tech pool ages. Dealers are also getting better at recognizing what it is that technicians are looking for in an employer—and how to provide it.

"Dealers have changed and become professional businessmen who know how to hire the right guy and provide the right benefits and pay," explains Roche. "The technician's benefit is that he is going to be working for a more professional boss who is going to know what he needs. Why would a technician go to a dealership? It has to have something he needs."

Technicians are looking for many of the same things they always have:

insurance, a 401K, good pay and all the other things that add to their quality of life. But as the age of technicians changes, so do their needs and desires.



"As we move through the generations, the dealers who are progressive understand what is meaningful to the technician that may not be meaningful to the owner," says Radcliff. "It could be vacation time, health care or any number of things. Some younger employees would value vacation time more than an additional 25 cents an hour."

These benefits are a great way to attract techs, but some dealers have trouble meeting these desires if sales have slowed.

Being progressive as dealers and flexible about compensation will help dealers greatly in the pursuit of the right tech for their shop. Additionally, technicians also want to be in an environment that provides ongoing education and a culture that encourages input. Having a technician who is more vested in the dealership's success is to the dealer's benefit.

"Those technicians who are now coming out of the schools are feeling like they are trained professionals—and they want to be viewed that way," says Roche. "As that permeates we are seeing dealerships improve as well. Technicians and dealerships are together becoming more professional and efficient in the way they do things." ■



Rolling With the Punches

In the last decade, Richard Pregler has seen plenty of changes in technology, products, customer demands and his own staff. He rolls with the punches, dealing with the challenges and changes to stay on top of his game as a dealer.

When he was originally profiled in the pages of *Yard & Garden* in 2003, Richard Pregler, of Pregler Lawn & Garden in Glenpool, OK, shared his story of attempting to expand into a multi-store operation. Not satisfied with the workforce available at the time, he decided instead to commit his energy to one well-run dealership.

Pregler stands by that decision. He remains a single-store operation and has grown sales over a quarter of a million dollars in the last nine years. Through LEAN operation and embracing technology, he has grown his residential customer base and sales by improving the service he provides. His experience shows that you must embrace changes in technology and your customer base in order to succeed.

Staff changes

The lifeblood of any dealership is your staff. Without a good staff, a dealer-

ship is less likely to succeed. That was Pregler's main complaint when attempting to expand. Without the right people, he learned an expansion isn't worth the time and labor.

A LEAN operator, Pregler was disappointed by the extra work a second location created. "It is just very difficult to find technicians and people you could trust," says Pregler. "I found it to be two or three times as much work for me and not any more money."

Long-time staff member Rick Level is no longer with the business. He played an important role in the business' initial success, and was paid a salary. In peak months he would work overtime and receive the same pay as in slower months when he could head home for the day as soon as he was no longer needed. The three current employees on staff are paid an hourly wage, and work hours that fluctuate with the current season's demands and their availability.



Embracing technology

While 10 years ago he didn't rely on a computer too heavily, Pregler knew it was a tool to embrace that would not be going away anytime soon. A self-proclaimed frugal man, he believes the cost of the investment as well as the time to train yourself and your employees is well worth it.

"I'm pretty conservative about everything and I am not a big spender," says Pregler. "However, I think dealers in my age range (60s) need to embrace the technology. We could not operate without a computer and Business Management System (BMS), because it saves us so much time."

Through the years, he has learned to use his BMS more effectively. It is



Glenpool, OK

used for automatic warranty registrations and lost sales, among other things. Pregler does admit that he has a ways to go before he is using it to its full potential, but mastering it is a goal of his.

"A lot of what the system will do I still have not tried," says Pregler. "I'm not that technologically savvy, but I'm learning. When you have to be your own IT support it just takes time."

Seeing more of his customers and manufacturers embracing technology, Pregler continues to also follow the trend. The company's marketing efforts have moved to online

marketing from the traditional Yellow Pages phonebook advertisement. They now spend money with Google and yellowpages.com.

Today's customers and products

The customer base at Pregler Lawn & Garden has remained mostly residential, but the behavior of those customers has changed. Pregler says they expect more from their dealer—and fast.

"Customers are much more impatient than 10 years ago," explains Pregler. "I call it the 'me' generation. They

want what they want and they don't want to wait."

To meet the demands of today's customer, Pregler has added some time-saving tools to the shop. A new lift and ultrasonic carburetor cleaners increase shop productivity and decrease equipment repair time.

Another change in the shop is their labor rate. It has gone up from \$50 an hour to \$70. They have certainly seen an increase in service demand in recent years with customers using equipment to its last breath. Additionally, the small dealers closing in their area have brought work their way. Still, they try to limit what repairs they will take on in order to keep existing customers happy.

"The shade tree guy working out of his garage is no longer here," Pregler explains. "It helps when we get that business if we want it. We still try to limit our repairs to brands and products we sell. We've got all we can do with the customer base we have."

One thing Pregler thinks might slow repairs is the higher labor costs and higher parts prices. Together, they are pushing consumers toward the purchase of low-quality "throw-away" equipment.

"They seem to go for more throw-away units even in the premium-brand products," says Pregler. "If it's a \$150 trimmer, people won't spend the \$70 or \$80 to repair it."

Another trend that is keeping Pregler and his team on their toes is E15 ethanol. Pregler fears that unless manufacturers introduce E15-tolerant products, his business will suffer.

"The biggest thing we are dealing with is ethanol in fuel and bad gasoline," says Pregler. "I would say 80% of our business is related to fuel problems. Nothing in our store will run on it. Manufacturers will have to create new products, but I don't know that they have the technology." ■

The ONE-STOP Shop

Offering customers quality wholegoods, an extensive parts inventory, fertilizers and education opportunities has helped Chilton Turf Center to grow their customer base and become a popular one-stop-shop for contractors.



Customers can purchase equipment, parts, service and organic fertilizers at Chilton Turf Center.

Four Ways Chilton Turf Center Excels in Customer Service

- Save customers time and provide added convenience with online services for parts orders as well as service inquiries and diagnostics.
- Educate them on equipment maintenance and use to prolong the life of equipment and in-turn the dealer-customer relationship.
- Offer a variety of wholegoods and fertilizing products to meet the consumer and commercial users needs.
- Provide a personalized selling experience that gets the right product in their hands from the start for added satisfaction.

As their slogan says, the Smith's help their customer to sow, grow and mow. They started out with an organic fertilizer formulation company and have since expanded into outdoor power equipment.

With a commercial customer base that makes up 70% of their overall business, they have focused much of their attention on being a one-stop-shop for landscape contractors. Their organic fertilizer company helped them to start off on the right foot in the outdoor power equipment business.

Paul Smith founded and established Sigma Organics, manufacturer and distributor of organic fertilizers, in 1999. During the next few years he was joined by Brother Roger Smith and Sisters Lisa Frith and Melanie Smith to help run the company.

For the Smith family, taking on an established outdoor power equipment dealership gave them the opportunity to offer even more to their customer base of golf courses, parks, municipalities and landscape contractors. Now they service not only their Sigma customers, but the dealership's customers as well.

"By having an equipment division, we are able to offer a full line of service," says Roger. The Smith's have gone on to expand the parts and equipment offering as well as offer educational opportunities for



Chilton Turf Center offers many educational opportunities in the form of classes for consumer and commercial customers.

customers. Through it all, they have positioned themselves as a reliable resource in both businesses.

Parts partners

The Smiths purchased the established Chilton Turf Center with locations in Nashville and Arrington, TN, in 2006. The dealership was known for its strong parts focus with a large inventory of parts numbers. The Smiths continue to offer a large inventory both in-store and now online.

While the majority of total sales come from parts, online parts sales represent a small amount of sales overall. The family added the online service not necessarily hoping for a huge boost in sales, but rather an increase in customer satisfaction and added convenience for contractors.

"The main goal of the online parts lookup availability was to add another service for our equipment-purchasing customers. Any other online part sales are simply an added bonus," explains Roger. "The online parts availability allows both the commercial and consumer customers to view equipment at their leisure and order service parts for delivery or pick-up at the store."

Offering the parts lookup is especially attractive to commercial customers who work past the dealership's closing time and on weekends. They are able to order parts any time of the night and pick them up at the

designated commercial-only parts counter at either of the two dealership locations.

The parts kept in stock at Chilton Turf Center are primarily service parts for the brands they sell. "With the service parts in-stock, we can offer a quick turnaround on most service orders," explains Roger. "This is highly appreciated by the commercial as well as the consumer customer."

An educational resource

The family at Chilton Turf Center has learned that the best way to position themselves as a business was as an invaluable resource to their customers. The business model they developed with Sigma Organics proved to be a good fit for Chilton Turf Center as well. They make it a point to give customers easy access to products and service, as well as educate them along the way.

Customers are given access to online parts lookup, equipment pickup and delivery for service, and annual reminders of service needed. On top of that, they also offer many educational opportunities in the form of classes for consumer and commercial customers.

Sigma Organics hosts and sponsors classes related to the application of the materials sold by the company. Seeing the added value it provided to customers, they started holding

classes at least once a year in engine maintenance, engine troubleshooting, mower maintenance, chainsaw safety, two-cycle operations and maintenance. They have also added a class on proper use, mix and storage of today's fuels.

Personalized selling and service

Sigma Organics products are available for purchase at the two dealership locations by homeowners and contractors. This is an added convenience for contractors who need Sigma products on the weekend when the Sigma store is closed.

"Sigma not only sells products, they analyze the customers' situation and then offer a number of solutions," says Roger. The Smiths do the same by asking questions of the customer to help determine the right power equipment for their needs. With the increase in customers comes an increase in service orders. There, too, customers are treated to personal service that includes a follow-up call after each work order.

"The service department has become our largest customer," says Roger. "The personal approach for each customer has been the driving point for an increased customer base for the service department."

Customers are also given the option of submitting a description of repair or maintenance needs online and receiving a quote before bringing equipment in. This saves the customer and the service department time when equipment is dropped off.

The Smith family has focused on offering more to each business's customer base. By positioning themselves as a reliable resource, they have continued to grow the customer base and sales for both sides of their complimentary businesses. ■

Training a Team of Customer Service Experts

Dealership makes a commitment to their staff and customer service through ongoing education.

Elizabeth Rudd and stepdaughter Jay Laman run the San Antonio, TX, go-to place for outdoor power equipment, C&L Mower Service. Together, Rudd and Laman work to maintain deceased father and husband Bob Laman's focus on what quality customer service should be.

Honest and hard-working, they focus on taking care of their employees and working right alongside them to meet the needs of customers. While it is a male-dominated industry, the women at C&L are certain that customer service is gender neutral.

"I really do not know that our shop being women-owned and women-run makes it more competitive, but it is definitely rare in this industry," says Laman. "Good customer service is gender neutral. You either can provide it or you can't—and your customers will tell you if you can't."

Rudd and Laman maintain that customer service should be the focus in order to be competitive. They make sure they account for the growing female customer base that is coming through their doors. A clean showroom and no-pressure sales tactic is what they use to put the female customers at ease.

"Outdoor power equipment is not just a man's domain. The women using and purchasing equipment are growing in numbers," explains Laman. "We provide an environment where they can grow their interest and confidence in their abilities while also providing

a safety net for them when they need service."

Committed to education

With a customer base that is 73% consumer, they educate customers on equipment while providing knowledgeable and friendly service. Having a knowledgeable employee base is the first step in the direction of quality customer service. Product knowledge helps in finding the right equipment for the customers' needs and gaining their confidence and trust in the dealership.

"When we outfit a customer with a piece of equipment, we want to make sure they are getting what they need and not just what is available," says Laman. "We are not looking to be a one-time stop for anyone walking through the door, but rather an informative go-to place that they can rely on for an honest answer."

Educating staff is done not only so they can meet the needs of customers, but also to show they are invested in their employees' success and advancement. They put into employees exactly what they expect to get out in return.

"Our employees are like family and we don't treat them any different than we would our own," says Laman. "They want to learn and they want to pay that forward. The work that comes out of our shop is a direct reflection of everyone involved in keeping us a cut above the competition."

They have worked hard to develop a knowledgeable and empowered employee base. Their office manager is STIHL-certified and all employees are encouraged to attend specialized training provided by the manufacturers of product lines they offer.

"We strive to maintain a high level of experience and education to ensure that we are bringing leading-edge service to our customers," says Laman.

Most manufacturers offer specialized training that Rudd and Laman make accessible to all of their employees. They believe the experience gained from working with the equipment is irreplaceable, and helps them to better communicate what they learn with service customers.

"We strive to make the best decisions we can for our business and try to look at every aspect of how it might affect our business," says Laman. "We continually try to see ourselves from the viewpoint of our customers so that we may change accordingly for the better."

Rudd and Laman's achievements and plans for the future have been made possible through maintaining Bob's vision for what superb customer service really is.

"Customer service was always at the top of my dad's list, followed closely by the best possible quality and value for the dollar," says Laman. "We have always shared that perspective." ■

Extended Storage Tips

When storing your equipment for more than a month, there are proper steps to take to ensure the equipment will be ready for use when it is brought out of storage. Not following these steps can cause unnecessary damage and unwanted expenses. Taking the time to follow these steps can save you from the headache of both.

1 To get the equipment ready for storage, clean it first. The air filter and the cylinder fins can be cleaned by gently brushing them with an old toothbrush.

On your chainsaw, remove the sprocket cover and brush away all the wood chips and sawdust.

On a trimmer, clean the inside of the deflector to remove built-up grass. Remove the cutting line head on your trimmer, disassemble it and clean out all the debris (see your instruction manual).

On an edger, clean out any dirt that has accumulated in the cutting guard.

On your hedgetrimmer, clean the cutting blades and spray them with a lubricant like STIHL Penetrating Oil.

2 Remove and examine the spark plug for excessive carbon buildup and adjust the electrode gap to its specification. See instruction manual. You may want to replace it once a year. Carefully reinstall the spark plug, making sure not to cross thread it or tighten too tightly, damaging the threads or breaking the plug. Carefully reconnect the ignition lead.

3 Check the spark arresting screen. It is a small screen at the muffler exhaust that is usually fastened with a screw or clip. Carbon can build up on the screen. The screen must be cleaned or replaced with a new one.

4 Standard pump gasoline quickly deteriorates and should never be kept over 30 days. If you need to dispose of fuel mix, do so in a proper and responsible manner. Remember that all STIHL products use the same 50:1 fuel mix, so the fuel you used for your trimmer will work in your blower or chainsaw, while the trimmer is in storage. You shouldn't use the fuel you bought in the fall for next spring.



5 Empty the fuel tank. After the tank is empty, if it has a primer bulb, pump the bulb until dry, then replace the cap and start the engine. Otherwise, just start the engine. Run it at idle until the engine stops. It is important that the engine is run only at idle speed, so there will be lubrication in the system. Do not operate the throttle or "rev" the engine. Just let it idle until it stops. On a chainsaw, engage the chain brake.

6 Put it away in a dry and, if possible, dust- and frost-free place. Some equipment can easily be hung on a wall, so you can save space. Store it out of the reach of children. ■



Share Your Success Story

Earn some industry-wide recognition you can use in your local marketing

BOOST
employee
MORALE

Help raise the bar
of professionalism

Inspire other dealers

Take a pat on the back – BECAUSE YOU DESERVE IT!

Yard & Garden wants to know what you're doing to help raise the standard of how a successful, professional dealership should be run in the 21st century.

Let the industry know what you're doing in the way of:

- ▶ Giving back to your communities
- ▶ Growing sales and profits
- ▶ Creating jobs
- ▶ Innovative marketing and merchandising
- ▶ Using technology
- ▶ Growing your parts business
- ▶ Growing your service business
- ▶ Selling unique products
- ▶ Creating loyal customers for life

To share your story in an upcoming volume of **Dealer Success Guide**

EMAIL

Lisa.Danes@greenindustrypros.com

CALL

920-563-1634

FAX

920-328-9011



*Jonathan Souers
Maintenance Division Director
Cornerstone Solutions Group
Tampa, Florida*

“STIHL is the biggest name behind small business.”

“STIHL is a big company, but for a independent business owner like me, I always know where they stand: right beside me.”

STIHL is a proud supporter of Independent We Stand, the movement of locally owned businesses that promotes the economic benefits of “buying local.” Stand up, register your business, and become part of the movement at www.independentwestand.org/trade.

**INDEPENDENT
WE STAND™**

POWERED BY **STIHL**



› Visit GreenIndustryPros.com/yg/enquiry and enter 201

LOCAL MEANS BUSINESS.



Nick Phipps
State Street Saw Shop
Salem, Oregon

“I became a business major the day my parents bought this store.”

Real-world experience has been a great teacher for Nick Phipps. Not only has business grown 600% since his family bought State Street Saw Shop in 2007, they’ve each done some growing of their own and Nick plans to take over when his parents step aside. As a STIHL exclusive dealership, the family takes advantage of all the STIHL support programs they can, including the

Marketing Advantage program, Powerchord dealer websites, STIHL iCademy®, STIHL MasterWrench® service training and more. In spite of the economic downturn, “we’re bursting at the seams,” says Nick. For the Phipps, it’s just business as usual.

To learn how to become a STIHL dealer:
STIHLUSA.com/dealer