

Dealer Success Guide

Appeal to Customers with SUSTAINABLE PRODUCTS

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Proficient
in just

4 **STEPS**
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A SUPPLEMENT TO
**GREEN
INDUSTRY
Pros**
PRODUCTS, TRENDS AND STRATEGIES FOR BUSINESS LEADERS

Educating for the Future

Dear Servicing Dealers,

STIHL has always been known as an innovator. With increasing regulations and breakthroughs in technology, the complexity of designing and manufacturing outdoor power equipment has become even more challenging. So, too, have the demands on those servicing and repairing these machines. It is why we developed the STIHL MasterWrench Service[®] certification program. Yet, studies have shown there is a growing shortage of skilled specialists in these areas, and developing the next generation is becoming increasingly important. Programs that help young students learn about and ultimately pursue careers in modern manufacturing and small engine technology are vital to the success of our industry.



Benjamin Franklin, famous inventor and U.S. patriot, once said, "Tell me and I forget. Teach me and I remember. Involve me and I learn." Quite frankly, I couldn't agree more. Great examples of this are initiatives like the STIHL Manufacturing Technology Summer Camp held each summer for high school students at our manufacturing facility in Virginia Beach and the Small Engine Repair Competition for college students at the Professional Landcare Network (PLANET) Student Career Days in the spring. Participants in both programs get hands-on experience that introduces them to new career opportunities and engages them in active learning.

A major advantage that you as a dealer have over your mass-merchant competition is the knowledgeable service and advice you offer. I encourage you to take advantage of training and certification programs for you and your staff and to get involved with programs that encourage young people to join our industry.

Sincerely,

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

Fred J. Whyte
President
STIHL Inc.



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Take Advantage of Your Rental Potential

Tips on how to maintain a profitable rental fleet that satisfies customer need and supplements equipment sales.



As an outdoor power equipment dealer, you can branch into the rental side of the business to offer commercial and homeowner customers temporary equipment solutions that make their lives easier, while cultivating the dealer-customer relationship. Renting fills the customer's need for occasional-use equipment while supplementing your equipment sales and service revenue.

"Adding rental to an outdoor equipment business is smart and has many potential benefits," says Todd Oden of Coastal Equipment Rental of S. Walton

in Santa Rosa Beach, FL. "First, it broadens the potential customer base substantially. Customers who are interested in renting a particular item may have otherwise never come into your store to purchase outdoor power equipment. And if they rent something from you, they are likely to come back to you to purchase power equipment at some point later on. Second, your current customers may certainly rent an item that they otherwise could not justify purchasing in the past. Third, it shows your store to be more of a 'one stop shop' for your customers.

Display rental equipment outside the dealership to catch the eye of passersby.

And last, it allows you access to a more broad equipment line to offer for rental or purchase to your customers."

Oden suggests that rental equipment can be especially helpful to the bottom line during a down economy. Customers may not be entirely comfortable with spending large amounts on equipment, but could justify a rental fee.

"While sales may substantially slow in a down economy, rental income has more staying power," explains Oden. "If a customer can't justify shelling out the cash or get approved for

financing new equipment, then rental is a nice alternative until they can afford to purchase or business picks up. In some cases rental income may even increase during a slowdown.”

Do you have the means?

There are a several logistical matters that need to be taken into account when deciding whether or not you want to take on the responsibility and liability of offering rental equipment at your dealership. Adding this new segment to your business could end badly if you don't have the ability to purchase, store, maintain, market and manage equipment. Starting small with a few pieces as you get a handle on the rental market is advised.

“You can slowly add a few pieces of rental items and test the market as you go along, listening to your customers' requests and putting rental income back into adding new items,” says Oden. “Start with products you and your customers know, and work into other categories such as general tools and construction/contractor tools if your market will support it. It should not have to take a huge outlay of cash to get into the rental business.”

You want to be sure you meet the customers' needs in both the rental product offering, and the service that goes with it. Garry Bartecki, a manag-



Good products to offer for rental are those that are only for occasional use.

ing member of GB Financial Services LLP and vice president of finance for the Associated Equipment Distributors and contributing writer for *Rental Product News*, shares what consumers look for in a rental company:

- Newer or well-maintained equipment less likely to break down
- Availability of equipment attachments
- Equipment pickup and delivery
- Operators who know the equipment
- Agreed upon rates
- A simple billing system

- Exceptional service
- Personnel dedicated to each account
- A loyalty program

Rental maintenance and pricing

Many of the aspects involved in managing a rental fleet are things that dealers have already mastered with their equipment sales and service. It's always been a goal of the dealer to help the customer extend the life of their equipment. Your service department should now also focus on extending the life of your rental equipment so you can get the most rental hours and dollars possible.

“Your service department is your first line of defense against premature equipment failure,” says P.D. Peterson, *Rental Product News* contributing writer. “Not only must the service department keep your equipment running, it must squeeze every last rental out of a piece of equipment before it's sold or retired.”

When pricing your rental agreements, you need to find a price that draws customers but still covers expenses

Tips on Qualifying Customers

Be sure staff knows how to properly judge a customer's qualifications to rent equipment safely and responsibly, as well as pair the customer with the right equipment for the task at hand. Better qualification helps to improve your company's rental reputation and encourage repeat customers.

- Ask lots of questions about the “who, what, where, when and how” of the task equipment is being used for.
- Set the customer up with the equipment that best suits their project needs.
- Provide thorough instruction for equipment use and safety.
- Read the customer's body language to gauge their level of understanding and whether or not you need to state the obvious about usage and safety.
- Remember to remain friendly and patient throughout the qualifying process.



Todd Oden of Coastal Equipment Rental in Santa Rosa Beach, FL, says adding rental to an outdoor power equipment business is smart and has many potential benefits. Coastal Equipment Rental has grown its rental fleet to include construction equipment.

Marketing your new rental offering

There is a happy medium in marketing for dealers who are breaking into the rental business. You want to do some marketing, but not too much where the demand is greater than your fleet as you work to grow it. You can start by displaying rental equipment in front of the store for passersby and other customers to see. From there, you can let word of mouth and other forms of marketing spread the news that you offer rental equipment.

"The most effective way to market your rental business is word of mouth," says Oden. "When you offer good rental tools and have your store name and number on your equipment, it's surprising how many people see the items being used out in the field or tell their friends about an item they rented and how well it worked. That being said, other marketing methods can be

and leaves you with a profit. To achieve the goal of setting profitable rental rates, you have to consider each rental unit as a separate business when pricing.

"It is either earning enough to cover debt services and expenses while adding a contribution margin to cover general and administrative expenses and profit or it isn't," says Bartecki. "If it isn't, steps need to be taken to find out why, and appropriate changes made. If it can't be fixed, the unit has to be moved out of the fleet as soon as possible, and the sales proceeds used to pay off any acquisition debt."

Review each unit individually, and then as part of a larger group. Remember that if the rental fleet as a whole isn't performing profitably, it won't matter on the individual scale.

"There is really no 'rule' for setting profitable rental rates, because unless the bulk of the rental fleet is profitable, the business will not be," explains Bartecki. "The rental business is an asset management business first, with income considerations second. Get a proper dollar utilization for the overall fleet and your concerns should be minimal."

When you carefully consider your capabilities and the liabilities, adding rental equipment to your business can help greatly to supplement equipment sales and service.

Top 3 Reasons a Customer Rents with You

- Availability
- Delivery requirements
- Quality of the rental equipment

very helpful as well, especially when starting fresh in the rental business.”

Rental agreement and insurance

In setting up your rental business, you will have to adjust your insurance coverage and communicate the insurance policy in your rental agreement that is signed by the customer. A good source for additional help in developing your rental agreement would be your attorney and also rental associations. The clearer you are in your agreement, the safer you are.

Your typical rental agreement contains several provisions designed for your protection, limiting your liability for loss or damage to property or individuals. Matthew Davis, a regional manager for National

Insurance Specialists and member of the Hylant Group out of Toledo, OH, provides a few key provisions you may want to include:

- **Hold-Harmless Agreement** – The rentee agrees to assume responsibility for all personal injury and property damage caused by the rental equipment.
- **Indemnity Agreement** – The rentee is agreeing to reimburse you, the renter, for any liability the firm incurs, even liability to the rentee.
- **Inspection Clause** – Creates a duty to inspect the equipment by the rentee, making them share in this responsibility along with the rental company.
- **Merger Clause** – Should be on the front of the contract, preferably in bold print. This clause (which should be signed by the rentee)

basically states that the rentee has read all of the terms and conditions of the contract and agrees with them. In order to validate your rental agreement, always obtain a “signed rental contract” from the rentee.

- **Conversion Warnings** – Informs the rentee that failure to return the rented goods may constitute conversion, larceny, or other form of theft designated in their state statute.

When you carefully consider your capabilities and the liabilities, adding rental equipment to your business can help greatly to supplement equipment sales and service. Work carefully with your staff, accountant, lawyer and suppliers to create a business plan that takes all aspects into consideration before embarking on your new endeavor. ■



Branding on products helps spread news of your rental fleet when out on the job site.

Experience the Perks of Clean Equipment

Purchase incentives for cleaner equipment are helping dealers to push products while saving contractors on equipment purchase price and operating costs.

Equipment dealers and landscape contractors are seeing the benefits in choosing “cleaner” outdoor power equipment. There are many incentives and trade-in programs through state and nationwide government organizations encouraging the purchase and use of these products. Opting for equipment that is low-emission or uses alternative fuel types cannot only lead to savings through purchasing incentives, but also dollars saved in the cost of operating equipment.

There are several programs for dealers and their customers to take advantage of. Below is information on some of the many programs available and how to get one started in your area. Additional research can shed light on the offerings in your area that may not be listed here.

The Clean Green Yard Machines (CGYM) Rebate Program

The San Joaquin Valley Air Pollution Control District (Valley Air District) offers the recent CGYM Rebate Program saving customers up to \$250 when they purchase a new cordless electric mower after June 4, 2013. After



returning their old mower to a participating dismantler, the rebate application is verified. The rebate amount is based on the purchase price of the new zero-emission mower.

For more information, visit http://www.valleyair.org/grant_programs/grantprograms.htm#CleanGreenYardMachine.

South Coast Air Quality Management District (AQMD) Trade-in Program

The AQMD program encourages landscape contractors or high-end equipment users to trade in their old and still operable gas-powered lawn equipment for new, low-emission models at a lower price than suggested retail rates.

Ted Kujawski, sales manager for Pacific STIHL, says participating in the

rebate programs offers STIHL dealers many benefits, such as an increase in sales of STIHL products, being viewed as environmentally conscious, and the opportunity to attract a new set of customers to their dealers' stores. Perhaps one of Kujawski's strongest arguments for pushing this “cleaner” equipment is that it could help prevent an environmental ban and secure a dealer's ability to still offer gas-powered equipment in their area.

“Offering a quiet and environmentally friendly option—like our Lithium Ion-powered products or our low-noise BR 500 and BG 66L—can be all it takes to prevent a ban,” explains Kujawski. “Most people and organizations still do not realize that these options exist.”

Kujawski and the rest of his team play an active role in getting the word

out on these equipment options and helping dealers promote the programs.

“With the help of our marketing manager, Dave Ross, we’ve created an in-store flyer to promote the details,” says Kujawski. “Our territory manager for the area, Nat Weems, has spent time educating his dealers on how to advertise and leverage the program to sell more STIHL (equipment).”

Currently the mower exchange program is temporarily sold out, but blower trade-in opportunities are still available. You can sign up for a notification for the next scheduled equipment exchange on their website at <http://www.aqmd.gov/aqmd/funding.html>.

Kentucky Professional Equipment Rebate Program

The Air Pollution Control District (APCD) of Kentucky offers rebates on professional-grade string trimmers, blowers and their batteries. They have also partnered with STIHL and their local distributor, Bryan Equipment Sales, to offer larger rebates on STIHL battery-powered string trimmers, blowers, batteries and commercial packages. Bryan Equipment has been partnering with the local government and residents since the program’s inception.

“Louisville residents as well as the emissions counsel in Louisville thought that it would be a good idea to establish a program that would assist with the poor air quality that surrounded its individuals,” shares Josh Kelly, marketing specialist for Bryan Equipment Sales. “This concept started with the idea to recycle lawnmowers and outdoor handheld power equipment in the Louisville metro market. Bryan Equipment Sales suggested that focusing on the commercial market would be the most beneficial for all parties involved, considering the run time is

typically the longest and, thus, most detrimental to the environment. The Louisville resource board and Bryan Equipment Sales evenly split the cost of the old equipment to support the project.”

Consumers who bring in an old piece of gasoline-powered equipment that is fully drained of all fluids to one of three recycling centers are given a green recycling voucher to present for redemption at a participating dealership. The trade in will equate to a discount toward a new, more eco-friendly machine, with a corresponding battery and charger.

Bryan Equipment has representatives who work to educate dealers and consumers on the programs. While they see the program as a great way for dealers to connect with new customers and gain some foot traffic in their stores, Bryan Equipment Sales is a large supporter of the environmental benefits.

“The true measure for Bryan Equipment Sales was not just about helping our dealers increase sales, but to promote a cleaner way of life, and a safe alternative to getting rid of old machines,” says Kelly.

For a list of qualifying products and the participating retailers, visit <http://www.louisvilleky.gov/APCD/lawncare/ProfessionalEquipmentRebates.htm>.

Propane Education & Research Council (PERC) incentives

PERC offers dealers many valuable tools for propane education as well as purchasing and conversion incentives for landscape contractors. Currently, in an effort to garner feedback, they are offering landscape contractors \$1,000 per qualifying new mower purchase or \$500 per qualifying mower conversion to help them document the cost savings and benefits of a propane-fueled mower. PERC is looking for

contractors who can offer feedback and performance data for one mowing season.

For more information on PERC, visit www.propanecouncil.org.

Alternative fuel incentives

Alternative-fuel mowers could also be eligible for some federal and state incentives related to alternative-fuel vehicles. The Alternative Fuels Data Center (AFDC) offers a full list of Federal and State incentives at www.afdc.energy.gov that could apply to alternative-fuel mowers. Their site also features an interactive map with state laws and incentives (<http://www.afdc.energy.gov/laws/state>).

Push for programs

These are just some of the programs out there to help dealers push the sale of cleaner equipment and help their customers take advantage of the cost savings. New programs are frequently introduced across the country. If you have yet to find one in your area, keep an eye out for programs popping up or work with your area distributor and government to get the ball rolling.

“Check a couple of places, first government programs,” advises Kujawski. “If there is a light bulb exchange program in your area (Incandescent for CFLs), or any kind of program designed to reduce pollution, noise or the use of gasoline, typically the same funds are utilized.”

Supporting these programs and extending their discounts and benefits to your customers is a great way to push sales. On top of that, it helps safeguard the environment and educate consumers and environmental organizations on the conscientiousness of the Green Industry. ■

Up Your Sustainability to Draw Customers

Operating a more sustainable business can help you draw customers and save on the cost of doing business.

Many consumers today are not only attracted to products that allow them to maintain their properties in an environmentally friendly manner, but are also drawn to dealers who conduct their business under the same values of sustainability. Operating a more sustainable business can help dealers to both draw customers and save on the cost of doing business. Part of your annual business plan should include your sustainable strategy.

The following four steps can help you to save resources and deliver savings.

Analyze - Gather data and analyze your current energy use. Compare your data internally and externally with similar-sized businesses.

Identify - Identify areas that need improvement and set a goal. Commit to a real goal to cut your energy usage by a certain percentage by a certain deadline.

Take Action - Develop a plan of action to reduce energy usage and improve your level of sustainability and put it into place.

Monitor - Monitor implementations to measure results each month against historical data on various utilities such as gas and electric. Track year-over-year changes in usage for each month to validate efforts and catch indicators for problems or areas that could benefit from and additional adjustment.

These four steps should be revisited



cyclically in an effort to continuously improve the business' sustainability. Dealers should consider consulting Energy Star (energystar.gov), a free, voluntary service that can help you through the process of becoming a more energy-efficient business.

Throughout your sustainable endeavors, include staff and customers in the process. It will provide customers with a positive outlook on your business, and make employees feel empowered and like they are making a difference. Vendor partners should also be in the loop to help shed light on ways other dealers are saving on energy usage. Don't become complacent; once your goal is reached, raise it and continue to strive for better. ■

Energy-Saving Tips for Equipment Dealerships

Repairclinic.com, an online retailer for replacement parts for home appliances, outdoor power equipment and heating and cooling equipment, offers these simple adjustments that can be made to your business to reduce energy usage during the warm weather season and beyond.

- Make sure your central air conditioner's condenser coils (located on the condenser unit

outside) and evaporator coils (located on the furnace or air handler) are clean and free of debris.

- In areas that receive a lot of sunlight, keep the window coverings closed or partially drawn in order to reduce the temperature.
- Fix broken equipment like central air and heating rather than use portable heaters and window units that waste energy and are a fire hazard.

- Remind staff to turn off lights in closets and infrequently used rooms and to turn off lights in their workspace at the close of each business day.

- Consider unplugging what isn't being used. Appliances and electronics are still consuming energy, even if they're not powered on.
- Plug in an energy usage meter to discover the energy hogs.
- Clean off the condenser coils on the break room/kitchen refrigerator.

Four Steps to Propane

Follow these steps to establish yourself as a propane expert and trusted resource for landscape contractors.



Dealers have a variety of channels to turn to for training, including trade publications, industry associations and their OEMs. Now, they can also utilize the Propane Education & Research Council's (PERC) Propane Dealer Kit. PERC's Dealer Toolkit can be downloaded for free from propanemarc.com/mowerdealer and features an overview of PERC's programs, key propane facts and figures, and a step-by-step guide to the propane acquisition process.

OEM partners

While the dealer kit online provides a general overview of all mower brands, PERC has partnered with OEMs to create brand specific kits. Exmark is currently able to provide their dealer network with personalized kits specific to Exmark's propane-fueled mower lineup. Future partnerships with propane-fueled mower manufacturers will expand the selection in the coming months. More than a dozen

Provide landscape contractors with the opportunity to demo a propane mower.

OEMs sell propane-fueled models, including BOB-CAT, Husqvarna, Kubota, Ventrac, Zipper, Scag, Gravely, Ferris, Snapper Pro, Toro, Exmark, Dixie Chopper, and EnviroGard.

Four steps to propane

Within the toolkit, PERC specifically outlines four steps for dealers interested in offering propane-fueled models to their customers:

Research: The dealer toolkit and PERC's website, poweredbypropane.org, are two essential resources for learning about propane. The kit will educate dealers about which brands offer propane models, discuss how to reach out to local contractors who may already be using propane, and explain national and state incentive programs for propane and alternative fuels.

In addition to local incentives for adopting propane, dealers should be aware of PERC's Propane Mower

Incentive Program. The mower incentive program offers contractors \$1,000 toward the purchase of new propane-fueled mowers and \$500 toward qualified conversions.

Meet Propane Retailers: PERC encourages dealers to meet and form relationships with local propane retailers. Dealers should discuss refueling options for contractors including cylinder exchange programs and installation of an on-site refueling infrastructure. Dealers might also consider installing their own on-site infrastructure, making the dealership a one-stop shop for contractors who want to purchase, refuel and service propane-fueled equipment.

Establish a Demo Program: Before adding propane models to a showroom floor, dealers should arrange to demo a mower with their OEM. Dealers and their sales team will become more familiar with how the mower works and maintenance requirements. The demo model can also be used to entice new customers by loaning it out to landscape contractors.

Make the Rounds: The last step dealers need to consider is visiting local landscape contractors to gauge interest. Provide landscape professionals with brochures and materials and offer to loan them a demo mower.

Following these steps will help establish dealers and their staff as propane experts and trusted resources for landscape contractors.

For more information about PERC, visit propanecouncil.org. To download a Dealer Toolkit, visit propanemarc.com/mowerdealer and for more training and promotional materials, check out poweredbypropane.org. ■

Become a **Mobile** Marketing Master

This guide will give you the mindset, tools and strategy for mastering mobile marketing.



Part 1: Thinking Mobile

One of the key differences between traditional marketing—other than its mass market orientation—and mobile marketing is that traditional marketing has historically been used for creating preference and driving demand. Mobile, on the other hand, takes everything to a new level and can be used to create preference, drive demand *and* complete the transaction.

Unlike print, radio, TV, and even the Internet, marketers have an

opportunity to engage the consumer with their brand and drive to a purchase in real time—either in store or online.

A mobile consumer is more likely to be ready to take action than a non-mobile consumer.

Geo-locational technology

Many brands are also leveraging the power of geo-locational technology to connect with consumers based on their physical location. This enables marketers to connect with mobile consumers using relevant messages or advertising when they're within close proximity to their retail locations. They can also send messages based on the

statistical likelihood that their location has something to do with their future behavior. For example, hotel, airline and car rental companies can target mobile travelers who are located in major airports because of the high likelihood that those travelers will be searching for hotels, airline tickets or rental cars in the near future.

Customer engagement

Mobile is also an extremely powerful tool for reducing churn and deepening customer engagement. The Starbucks app has been downloaded more than one million times and allows customers to locate stores, re-load their Starbucks Cards and share their locations and favorite drinks with their friends via social networks. Domino's Pizza has created a mobile app that makes ordering a pizza a surprisingly easy experience. Chase allows banking customers to deposit checks via a photograph taken with their smartphone. Consider ways you can make doing business with your company easier for customers with the help of a mobile app.

By using mobile as a business tool instead of just as a marketing tool, brands can increase the frequency of transactions with customers and, in many cases, increase the amount of each transaction. Just as important, marketers can reduce customer churn and increase customer satisfaction. All of these benefits have a distinct and immediate impact on the ROI of the marketing campaign.

Part 2: Possess and Understand Mobile Marketing Tools

It is important for marketers to understand the many options available within the mobile marketing toolbox. Once marketers have a good understanding of the available tools, the next step is to understand how they intersect with each other and the other media channels. There are new mobile tools, platforms and applications introduced frequently, here are a few important ones to consider:

Mobile video, display or audio ads: Mobile display ads are an effective way to engage customers and prospects. There are a number of different formats for mobile display ads. Additionally, there are rich media formats, mobile video as well as

the most common of which are QR codes, Microsoft TAGs, ScanLife, SPARQCodes and others. According to CMBInfo.com, 50% of smartphone users have scanned QR codes and 18% have made a purchase as a result.

Mobile Search Marketing: Mobile Search, like desktop search, is a powerful way to connect consumers with your brand. It is important to note that search behavior and motivations can differ in the mobile environment as well as the fact that search results will appear differently on mobile devices vs. a desktop or laptop. It is also critical to take your customers to mobile-optimized pages to deliver a completely enhanced mobile experience. Lastly, consumers can amplify and share your messages more easily on mobile devices, thereby increasing the viral potential of your mobile search marketing.

Consumers are so in tune with their mobile device, interacting with it for all sorts of practical and fanciful reasons, it gives you the opportunity to fit right in.

mobile audio ads that are all used to drive engagement and revenue.

Mobile websites: This is a version of your desktop website that has been specifically designed to be compatible with mobile devices. Mobile websites deliver an engaging and streamlined mobile experience that appeals to a mobile visitor who is using their smartphone or tablet to connect with your business.

Mobile apps: Not to be confused with mobile websites, mobile apps are software programs that can be downloaded on a smartphone or tablet. Apps can be used to educate, entertain, engage and/or sell products to users.

Response codes: There are a number of different kinds of response codes,

SMS and MMS: Short Message Service (SMS) and Multimedia Message Service (MMS) are systems that enable brands to send texts or rich media (graphics, video, audio) to customers. (Read “5 Easy Ways to Build a Mobile Marketing Database” from Volume 26 at greenindustrypros.com/10850359)

Location-Based Marketing (LBM): There are two sub-categories of LBM which include Location-Based Services like foursquare, SCVNGR and WHERE as well as Location-Based Advertising which uses mobile display ads to geo-target prospects within a certain location.

Near Field Communications (NFC): Similar to Bluetooth, NFC uses a small chip embedded in a phone to connect wirelessly to

another chip embedded in a kiosk, point-of-purchase poster, debit card terminal or turnstile.

An effective and integrated mobile marketing strategy uses a combination of some or all of these tools to engage with consumers. Marketers should be prepared to meet consumers where they are, study their usage patterns and, ultimately, understand what makes them go from search to purchase.

Part 3: Taking Full Advantage of Mobile Marketing Opportunities

Targeting prospects and customers with mobile presents exciting opportunities in modern marketing. Mobile devices and the way consumers use them presents the brand marketer the opportunity to connect, engage and transact with the consumer unlike ever before.

The path to purchase

You can target and tailor messages and programs to consumers at every stage of their path to purchase of your products and services. Increasingly, your targeted messages can be tracked and optimized along the way as well.

Awareness: You can add a mobile call to action in your traditional advertising to extend awareness and induce engagement, or you build a database of consumers who have opted-in to receive alerts from your brand.

Consideration: Giving consumers a way to connect with your brand via mobile when they are “in market” can only improve your marketing ROI. Whether via SMS or an app, consumers can let you know when they are ready to connect more deeply with your brand.



**Intent:**

Mobile behavior, especially when it comes to search, research or interaction via bar codes, allows you to know when your prospect or customer is reaching the “moment of truth” with your brand. Be ready with your targeted mobile message or offer so you don’t lose the opportunity.

Purchase: Unlike any other media, the opportunity to complete or enhance a transaction via the mobile device needs to be considered regardless of your product category. A CPG mobile coupon, an SMS incentive to demo equipment, or a mobile video delivered right at the point of sale can help you close the deal with your customer.

Customer Relationship: Consumers are so in tune with their mobile device, interacting with it for all sorts of practical and fanciful reasons, it gives you the opportunity to fit right in. However, you must remain sensitive to how the consumer wants to engage with you, not the other way around. Offering targeted programs for consumers to opt-in to, such as for loyalty rewards, new product updates, special events or other deals and incentives, puts you squarely in the hearts and minds of your best customers.

Context marketing

Mobile offers the unique advantage of context in targeting consumers. Context gives marketers an ability to understand where and when consumer engagement occurs, which in turn provides insight deep enough to target a mobile marketing experience.

Location: By far the most important aspect of context with mobile, location is also the most sensitive. With smartphones and tablets being “location aware” on their own, it is

incumbent on the marketer to:

- 1) Consider whether location is a useful and necessary targeting criteria
- 2) If so, seek out and gain end-user permission (via clear notice and opt-in/opt-out choices) to use this.

The privacy implications of using location in targeting are yet to be fully understood and best practices yet to be classified, so caution is advised.

Time: Much less sensitive than location, using time as a targeting criteria can be useful when sending messages relevant at certain times of day, week or month. The immediacy and suitability of a well-timed mobile message can improve ROI of the overall effort. Consider connecting with customers when the seasons change as you would in your regular marketing.

Proximity: Knowing that your customer is nearby or within your store, or ready to make a purchase, gives you the opportunity to deliver hyper-local and very relevant messaging or offers. Again, this criterion is a sensitive one, requiring you to get consumer permission to engage and interact in such an intimate way.

Device: Tailoring and targeting to select devices or operating systems is not necessary, but it can be useful and profitable. Leveraging the unique capabilities native to a device can allow you to create very compelling and interactive advertising experiences. Volkswagen Jetta introduced an advertising campaign exclusively through the iPhone when it first came out, and the results were both positive and profitable. Another advertiser used the swipe function on tablets to crash a car into the left frame (it was an insurance company) to get maximum consumer engagement.

Considering the targeting opportunities in mobile is an exciting exercise, made even more compelling when you integrate the path to purchase with context. Adding mobile

to your marketing and advertising mix can provide real leverage at key consumer decision points, and the precise targeting options will really help improve marketing ROI.

Part 4: Encouraging Consumer Engagement with Your Mobile Site

One potential starting point for a mobile strategy is the development of a mobile website. Mobile sites are designed for the smaller screen with the needs of mobile users in mind. Users expect their mobile experience to be as good, if not better than, their desktop experience.

Mobile website options

There are a number of options in developing a mobile site. You can simply optimize your current site for the mobile screen or you can develop something new specifically designed with mobile in mind. If you choose



Creating a mobile website is only half the battle. The next step is to encourage people to visit your site from their mobile device.

the former, you can work with an advertising agency, web design firm or mobile web design firm and in all likelihood, they'll use responsive design to restructure your desktop website based on the resolution (or size) of the screen that's viewing it. In other words, your website will display differently for different screen sizes.

For example, if someone is viewing your website from a regular desktop, they'll get a larger and wider visual experience. If someone is viewing your website from a tablet, they may get a slightly different visual experience. And if someone is viewing your website from a smartphone, they'll get another visual experience. Consumers are increasingly expecting marketers to present the best view for the channel they are in.

If you've designed your own website, you can, as a starting point, install a line of sniffer code at the top of your site that redirects people to pages on your site that have been modified to fit on a mobile screen.

If you're not interested in either of these options, and wish to design for mobile first, there are a number of excellent mobile website design firms—many of which are listed on the Mobile Marketing Association website (mmaglobal.com).

User-friendly design elements

Here are six mobile website design tips for a positive user experience:

1. Be Thumb-Friendly: Many visitors to your mobile site will be navigating through it with their thumbs or fingers. Large, easy-to-press links and buttons ensure the user experience starts off right.

2. Streamline Navigation: Your site should have the fewest number of links and pages possible. In general, mobile visitors aren't interested in detailed bios, mission statements or press releases. Instead, they want key information like location, contact information and click-to-call buttons.

3. Minimize Graphics: You are designing your site for a mobile visitor who is using up valuable bandwidth to access your site. With that in mind, be sure you keep graphics small and to a minimum to allow for faster load time.

4. Honor Your Brand: Your mobile site should have the same branding elements as your desktop site. Ideally, a user will feel as though your mobile site is a continuation of your desktop site. It may not have all the same content, but the look and feel should be very similar.

5. Include a Link to the Desktop Site: Some visitors will be interested in viewing your desktop site, even though they're on a mobile device. It's always a good idea to provide them a link to the full site so they can easily visit that, too.

6. Test Your Site: There are a number of good ways to test the functionality of your mobile website. Do a search for mobile website emulator and you'll find plenty of them. Be sure to test using more than one emulator since different emulators will provide different suggestions on improving the site.

Encouraging consumer engagement

Creating a mobile website is only half the battle. The next step is to encourage people to visit your

site from their mobile device. There are a number of ways to do this, including placing a reminder

that you have a mobile site on your desktop site. This can come in the form of a banner ad, a graphic or simply a blog post announcing the launch of your mobile site.

You can also use mobile technology such as a response code to drive people to your mobile site. The response code can be placed on your desktop site or on point-of-purchase materials as well as print and other marketing.

Whether you use a response code to drive visitors to your site or simply provide a URL, the key is to reward them once they're at your site. After all, the mobile visitor is typically en-route, so you want to give them every reason possible to stay engaged with your site and, when relevant, visit your location.

Designing a mobile landing page that rewards the visitor for visiting the site is an important first step. This can be a page that provides a coupon that can be redeemed in-store or it can be a page that allows them to have a product shipped to their home address. It can be a click-to-call phone number that puts them in touch with a customer service representative, or it can be a map that provides them directions to your location. Make every attempt possible to leverage the intent of your visitor so that it ultimately converts into a sale. ■

An excerpt from the Mobile Marketing Association's *Mobile Marketing Roadmap*. You can learn more about the Mobile Marketing Association (MMA) by visiting mmaglobal.com.



Are You Ready for STIHL at GIE+EXPO?



October 23-25, 2013
Kentucky Exposition Center
Louisville, KY
Booth #5074

Dealer Resource Pavilion

Wednesday, October 23: 9:00 a.m. – 7:00 p.m.

Thursday & Friday October 24-25: 9:00 a.m. – 5:00 p.m.

The Dealer Resource Pavilion will be the hub of dealer activities at GIE+EXPO. Sponsored in part by STIHL, this dealer-only resource 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. Access to all sessions is free with registration to GIE+EXPO. Sessions for owners and managers to take place daily at 11:00 a.m. and 2:00 p.m. For session specifics and registration, visit GIE-EXPO.com.

Dealer-Only Preview Day

Wednesday, October 23: 3:00 p.m. – 7:00 p.m.

Back for the 2nd year, 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.

STIHL Oktoberfest Celebration

Wednesday, October 23: 3:00 – 7:00 p.m.

You're invited!

Back by popular demand, STIHL is celebrating Oktoberfest style, and you're invited to the party! Join us in the STIHL booth (#5074) Wednesday for beer, brats and a special dealer presentation!

- 6:00 p.m. – Hear from STIHL representatives during a special dealer presentation.
- 6:30 p.m. – Be sure to be in the booth when one lucky Oktoberfest attendee will win \$5,000* – it could be you!
- Preview the newest STIHL products.

Dealer Resource Roundtable Breakfast

Thursday, October 24: 8:00 – 9:30 a.m.

\$25 per person*

Sponsored by STIHL and Gravelly

One of GIE+EXPO's greatest benefits is the opportunity to learn about the best practices of your 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.

**Registration required. Visit GIE-EXPO.com.*



Check out the latest STIHL products at Indoor Booth #5074



STIHL FS 240 R and FS 240 Brushcutters



STIHL AR 900 Backpack Battery



STIHL AL 500 Battery Charger



STIHL MSA 200 C-BQ Chain Saw



STIHL SR 200 Backpack Sprayer



STIHL MS 261 C-M and MS 261 C-MQ Chain Saws



STIHL MS 362 C-M and MS 362 C-MQ Chain Saws



INDEPENDENT WE STAND™

Powered by **STIHL**® and Chrysler Group 

STIHL is proud to be the founding 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!

Find the Opportunity in Showrooming

Use new technology and customer service to show the showrooming customer all that you have to offer—and why choosing to purchase with you is their best bet.



Showrooming is a word that many dealers know and despise—but it also presents an opportunity. The act of showrooming involves consumers checking out a product in-store, kicking the tires and chatting up a knowledgeable salesperson, only to ultimately leave and purchase the product online or elsewhere. It results in lost time and a lost sale for the dealer. There are things that dealers can do to win

those sales and view showrooming as an opportunity instead of a threat.

“In the rapidly evolving landscape of retail technology, consumers are choosing how, when and which channel to do their purchasing,” says Ken Levy, CEO of 4-Tell, provider of integrated products that allow merchants to deliver individually personalized product recommendations to shoppers across the internet, email, mobile and in-store. “Dealers need to be able to

An online presence should be backed up by stellar customer service before, during and after the sale.

engage consumers no matter how or where they like to shop. In an age where many shoppers routinely use two or more technologies to research a purchase, the message is clear: If you don’t adapt and offer them the ability to connect with you both on and offline, they will take their business elsewhere.”

Embrace the technology

With customers consulting various channels for product information, it is not enough for the dealer to just have a brick-and-mortar store and a bare-bones website. You have to be sure you are not only out there to be found, but offer a wealth of product and service information.

“Every dealership today that wants to be in business in the future has to get more focused on their online presence,” says Bob Clements, president of Bob Clements International, a consulting firm that specializes in the development of high-performance dealerships. “Too many dealers think that the internet is their enemy, and it’s not. People today use the internet to inform themselves as to what options and pricing are available.”

Having a web and app presence could not only help you to lock in that customer who is in your dealership, but also attract customers who are showrooming at another store. Mobile should become a key element in every dealer’s multichannel strategy.

“If the showrooming shopper is on a research trip to examine the product, then the app or mobile site for the retailer can either push to make the sale or make it easier for the person to research and buy from that brand’s dot-com later,” says Levy. “The ideal retail app will be situational, either detecting when and where the person is or having multiple modes. The new path to purchase has a real physical, situational dimension to it and needs to be inherent in the app.”

It is important that dealers not only make sure they are making themselves available across multiple platforms to customers, but that they use that technology to better outfit their sales staff with tools to connect customers with their products. Just as the shopping experience has changed, so

should the selling style.

“One way to combat the rising phenomenon of showrooming is to arm the sales staff with the right technology within the store,” advises Levy. “There are a variety of options available, from iPads and smartphones to digital reader displays. The goal is enhancing the shopping experience by enabling your staff to better assist customers to locate items and give accurate, up-to-date product information, including inventory status, promotions, and recommendations for other products. If done right, on-the-spot product recommendations can help your front-line staff cross-sell and up-sell.”

Customer service always wins

As you probably hear often, customer service is what sets a dealer apart. So once you have an online presence, you need to continue to back that up with the promise of stellar customer service before, during and after the sale.

“If I walk into a dealership and look at equipment, I am there wanting to do business with that dealership,” says Clements. “If I end up talking to a person who knows less than I do, I’m done. On the other hand, if I come in contact with a salesperson who asks good questions and leads me to consider equipment other than what I had come in to look at because they feel like it would be a better fit for my needs, now they have me as a customer.”

Communicating with the customer about the services you provide and their individual needs will help you to gain their trust and confidence. Knowing they are making the wisest choice with their money is what will influence a customer to make a purchase—and return for future purchases.

“Focus the time with the shopper on not only the equipment, but help

them understand that everything that is mechanical will break and the most important part of buying equipment is finding a dealership that excels in delivering exceptional service,” says Clements. “Remember, only about 15% of the people who are shopping are looking for a low price, and 85% will pay more if you can show them you are worth more.”

Marrying your quality customer service with an app and/or mobile-friendly website that helps customers to research your products and services is what will help you to cash in on the showrooming customer. Take advantage of the opportunity to engage the customers who shop by app or online by offering them special incentives to use your app and buy from you.

“Dealers have to stop pretending that the smartphone and web don’t exist. Embrace it because you won’t keep people from showrooming, so ensure they can showroom with you,” says Levy. “Take ownership of the mobile shoppers in your current stores. Create an app experience specific to in-store shopping, and promote it in the store. Showrooming is an opportunity, not a problem. Once you accept that it is not going away, you start to see the many ways it can benefit your brand.” ■

Take Home Tips

- Understand that showrooming is as much of an opportunity as it is a threat
- Grow your online presence with a website and app providing a wealth of information
- Embrace technology like iPads in the dealership as a sales tool
- ALWAYS back your products with quality customer service before, during and after the sale

The Store Within a Store Sells More

Making the case for merchandising like-branded products together.

We have generally offered one take on merchandising: similar products should be displayed together to easily compare features and pricing. But that is not the only way to push your products. STIHL Inc. has found much success with their store-within-a-store concept of grouping like-branded products together in one display.

A brand's selling power

After much research and with the help of a design firm, STIHL implemented the store-within-a-store concept in 2003. The merchandising style has helped to grow sales of STIHL equipment and earn them the ranking of the number one selling brand of gasoline-powered handheld outdoor power equipment in America.*

Several other brands are on board with the store-within-a-store concept perfected by department stores. But not all brands offer the product option depth ideal for this merchandising tactic. For those brands that offer enough product for this display style, it could help to push sales for that brand.

This style of merchandising is ideal for capitalizing on the desires of a brand-loyal customer. By grouping the like-branded items together, the customer who is brand-loyal is exposed to other products from the brand that they may not be familiar with. It not only helps the customer when they are making the buying decision, but could also help sales staff to focus their sell-

ing efforts when talking to a brand-loyal customer.

You can also group together similar product categories within that brand. Pair trimmers with blowers, as well as place the appropriate accessories, personal protective equipment and parts nearby.

Stock up to sell

Another rule that STIHL lives by that could be applied to all lines is maintaining a well-stocked display. Keeping a full inventory of products in the showroom helps the customer to feel confident in the brand and dealer they are choosing.

"If you go into the grocery store and see something lightly stocked, you think the product is out of date or obsolete," says Michael Haney with in-store marketing at STIHL Inc. "With those messages being displayed to the customer, they might think you're going out of business."

It is especially important for a servicing dealer's image that they remain fully stocked. A customer looking to buy a piece of equipment might see an empty showroom and fear that the dealer won't be around much longer to help them service and extend the life of their equipment.

"When a person walks in a store, you have 15 seconds to grab their attention and for them to decide if they want to do business with you," explains Haney. "If they walk in and it



Group like-branded items together to appeal to the brand-loyal customer.

doesn't look good, they are going to leave."

Having a fully stocked display also helps you to capture the sale simply out of added convenience for the customer. Haney warns that a customer who sees an empty display is not likely to ask for assistance in finding and purchasing the product.

"People don't want to ask for assistance," says Haney. "If the customer walks into the store and doesn't see what they want, most people don't ask. It's more convenient for your customers, who want to get in and get out, to not have to ask. You have to stock it to sell it." ■

*"Number one selling brand" is based on syndicated Irwin Broh Research as well as independent consumer research of 2009-2012 U.S. sales and market share data for the gasoline-powered handheld outdoor power equipment category combined sales to consumers and commercial landscapers.

Packaged Pricing Gets the Sale

Asserting your dealership's value with package pricing helps you to maintain margins and remain price competitive.

Whether it is service, parts or wholegoods, nothing is more important than pricing yourself to be competitive in the marketplace. For most people, when I tell them to be competitive they immediately begin to think about margins and lowering their prices. Based upon studies done over the years, to be competitive it's not the price, but the value you add to the sale that makes the difference.

In North America only about 15% of the population buys based upon price alone. That means that 85% of the population is looking at other factors in determining whether they will or will not buy from any given dealership. The key to profit is your ability to sell the entire dealership to the customer—not just the equipment.

When you begin to realize that a high majority of the people who walk through your door are not brand loyal, but are looking for a dealership they can trust, it changes your entire focus on what you are selling. You can then focus on how to add value to your equipment by selling the advantages of doing business with your dealership.

Three added values

From a customer's perspective, there are three things that add value: time, money and pain. As a dealer, you need to constantly ask yourself: "How does what we do as a dealership save the customer time, make the customer money, or take away a painful part of the customer's life?" The more

that you can do any of the three, the better you will be able to sell your equipment at a premium.

Purchasing packages

One way to address all three added values is through the development of purchasing packages. Through these packages, you are selling the "whole dealership" when you sell your equipment. Your dealership consists of multiple profit centers: wholegoods, parts, service and delivery. When you sell a piece of equipment, why not give the customer the ability to buy your "entire dealership" at the same time?

As a dealer, you can easily create packages to sell with your equipment that are bundled combinations of parts, service and delivery with an extended service component.

Pricing levels

Several of the dealerships that we work with have created different pricing levels for their equipment based upon various packages they offer. It would be easy for you to create a package that gives the customer a discount on their first service or offer a 24-hour service guarantee for a slight additional charge.

Depending upon your creativity, you can easily design packages that offer special pricing on parts, service, and extended warranty for customers who are busy and don't want to have to worry about their equipment.

Take a moment to think about your commercial customers. What is one

of their biggest headaches? Like you, it's cash flow. Put together a package to attract them that includes a trailer, trimmer and mower. By making it simple for them to build their fleet, you add value and hold your margins.

Also, with commercial customers, think about showing them how leasing the equipment will help improve their cash flow. For most dealers, leasing has become a thing of the past. But for commercial cutters and municipalities, it can be a much better way to manage their cash flow and budgets.

There is very little value for commercial cutters or municipalities to actually own the equipment they use. What they really want is to have new equipment every three years. By working with your commercial cutters to show the benefit of leasing equipment, you open up an entirely new world for you and them.

With some out-of-the-box thinking you can easily create buying solutions that sell the value of your dealership while allowing you to hold steady on price and grow sales. ■

Read "How to Sell the Dealer Experience" on the next page for more tips on how to market your worth.

About the Author

Bob Clements is the president of Bob Clements International, a consulting firm that specializes in the development of high-performance dealerships. For more information, visit bobclements.com.

How to Sell the Dealer Experience

In a market saturated with countless power equipment brands, it's up to you to create your own brand—and sell the buying experience that goes along with it.

Each department of the dealership needs to understand the importance of the experience they are working to create—and how to deliver it. With manufacturers jamming more and more dealers into a marketplace, your product lines are no longer a unique advantage. To set yourself apart from the dealer down the road, you can no longer rely on your brands and have to work to create a unique experience that your competitors can't easily duplicate.

Here are a few ideas that you can use to create a unique customer experience in your store.

1. Understand what makes you different and unique.

People will pay more for what they perceive as different or unique. Why would a vase from the Ming Dynasty of China be more valuable than a vase from a local discount store? There are not many 4,000-year-old vases around, and the more unique an item is, the more value we as humans place on it.

What do you want customers to walk away from your parts counter saying? "Their prices are high and they never have the part you need." How about your service department? "They have great prices but when you get it back, the equipment never works the way it is supposed to."

Whether you like it or not, you are constantly creating a customer experience. You have to make sure it's the kind of experience that will drive your customers to talk to their friends about your business in a positive way.

2. Make sure you are developing your brand.

Your brand is intangible and has nothing at all to do with your location, the lines that you carry or the building you are in. Instead, it refers to the reputation behind your company's name and logo. To build your brand, you have to be consistent in the image you create in your store, your advertising and your web presence.

I try to get all my dealers to create a "sell line" that communicates what they are about in one sentence. That "sell line" is then used on signage in the store, on business cards, in advertisements and on the website.

Think of something as simple as Campbell's Soup, "It's mmm, mmm good!" How about Coke "It's the real thing". I encourage you to take some time and work on a "sell line" that tells customers what you are all about.

3. Reward your people for delivering the experience.

Don't forget about the importance of customer service and the

impact your employees have on the customers' perception of your brand. Once a customer is ignored at the counter or treated poorly on the phone or on the sales floor, you've lost not only that person but everyone else that hears about the unfortunate experience. Remember that word-of-mouth can help, but it can also hurt. Get rid of employees who won't cooperate—even if they're related to you!

It's important to set goals for your people that focus on delivering the customer experience you are working to create. I do a lot of work in service and parts departments for dealerships, and as I help them define the customer experience they want to be known for, I work hard to make sure that every employee understands what we are striving to accomplish. They need to know they will be rewarded if they help to deliver that experience to the customer.

In a world where everything looks the same, creating a unique experience for your customers will set you apart from the crowd and add valuable dollars to your bottom line. ■

About the Author

Bob Clements is the president of Bob Clements International, a consulting firm that specializes in the development of high-performance dealerships. For more information, visit bobclements.com.

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Poised for Success with the Right BMS

Carefully choosing the right business management system for your business can mean the difference between success and headache.

While a Business Management System (BMS) is supposed to work *for you*, it is your responsibility to put in the hard work and due diligence to find the right one for your needs. Putting in the time and effort to choose the right system for the right reasons can prevent you from having to go through the time-consuming transition from one BMS to the next not far off in the future.

Knowing your needs and capabilities

When looking for a new BMS, it helps to have a list of features you require. You can start by asking employees who will regularly use the system to inform you of their desires. Find out what they think will help them to do their job better.

“You should create a priority list of requirements (functionality) that you want the system to address,” says Campion Jaques, director of content services for ARI. “The typical items might include point of sale, inventory management, repair tickets and scheduling, easy user Interface, dashboard reporting and multi-store compatibility.”

As a dealer, you need to find a BMS that works with the size of your dealership and can accommodate any planned or unplanned future growth. Not taking this into account at the beginning could lead to additional costs and hassle later on.

“A dealer should question if a system is scalable and designed to grow as they grow,” explains Joe Miller, marketing director of c-Systems Software Inc. “Will it meet your needs

now, in two years, in five years? Will the business system handle increases in the number of workstations or having a multiple-store operation?”

It’s important to also be sure not just that the BMS can handle your business, but that your business can handle the BMS. Assess your capabilities and be sure you meet the requirements necessary to operate the system efficiently. Be aware of any guidelines that require additional software purchases and maintenance, as well as hardware that might be needed to accommodate a system.

Another option for dealers is a web-based system, like the one offered by nizeX Inc., that operates on any Internet-capable device and allows dealers to use their current computer systems without additional expenses.

Five Steps for Picking the Right BMS

1. Make a wish list of features with the help of your staff.
2. Assess your software and hardware capabilities.
3. Include decision-makers in the demonstration process.
4. Evaluate provider support and industry knowledge.
5. Request references from other dealers that use the BMS in question.

Evaluate all options

Once you know what you need in a BMS, you can evaluate the providers and see if they are someone you would want to partner with. It's important to take the time and seriously evaluate all options before coming to a final decision.

"Don't assume industry-specific BMS and solution providers are all the same," warns Greg Carradus, sales manager for Ideal Computer Systems. "All mowers cut grass, right? But you know there are big differences between mowers. There are also infinite differences between BMS providers."

Carradus also warns against choosing a system for the wrong reasons such as price or unnecessary bells and whistles. "Many software salespeople want to lure you in or distract you with appealing graphical non-essentials," he explains. "Remember to focus on the core operational requirements and solutions to your dealership's challenges, now and in the future, when looking at your selection criteria."

Dealers looking for a BMS might have the best luck sticking to something that is industry-specific. The providers that are tied the closest to the industry are more likely to understand your business and offer the features you desire.

"Industry experience translates into a keen understanding of how an outdoor power equipment dealership functions and a software program that addresses those unique requirements," says Jaques.

Once you have narrowed it down to a few options, request a thorough demonstration from the BMS provider for the key people in the decision-making process. From there, it's always a good idea to take it to the next step and get some references from other dealers. Obtaining dealer references can confirm the program's true functionality.

"The best recommendation I have is to call for references and talk to people who are running the system you are considering," suggests Brian Steensma of Steensma Lawn & Power Equipment in Kalamazoo and Plainwell, MI. "You'll never think of all the questions, but if there is a glaring hole in the software, another dealer will probably be able to tell you. They will speak candidly, especially if you know them."

Training and support

In choosing a BMS, it's important that you not only get the features you are looking for, but the service to back them up and keep you running smoothly. Your provider should be a great help through the transition into the new system and beyond.

"Product support is arguably the most important factor when evaluating business systems," says Miller, who suggests you ask the following questions when choosing a BMS. "Does the business system company provide on-site training? What about phone support? Do they provide ongoing web training and regional seminars? Do they have a knowledgeable support staff to help keep your system up and running smoothly? Does the company have a dedicated customer support department?"

Having just gone through the transition of taking on a new BMS, Steensma is a strong believer in quality support and believes most high-end providers will leave dealers satisfied.

"Support after the transition is something you can get across the board from the well-established software companies," says Steensma. "They are charging a premium and I don't think they would be able to get that if they didn't provide the support. You get what you pay for."

Taking on a new BMS is a huge undertaking that can take a long time. With the right provider by your side, you will be given a strong understanding of how the system works and how your business is performing, bettering your chances at improved business management and success.



The right BMS provides you with the features you desire and the service to back them up.

"Don't think that training and support aren't important in your decision," says Carradus. "First-time BMS buyers generally rate the level of ongoing support very low in their decision-making process. Most second-time BMS buyers rate the level of on-going support as the top factor in their purchase decision. Bottom line, support is crucial to your long-term success." ■

The Right Tools for the Job

Check out these three popular tools that help technicians become super-efficient.



Technicians should each have their own lift that complements the size of equipment they specialize in.

Many agree that the most important tool in the shop is the technician himself. However, what keeps a well-trained technician performing their best and providing high output are the tools at their disposal.

"The most important thing in the shop is the service technician," says Scott Fore, president at Heftee Industries. "It's critical to the operation and profitability of the service department that you have the very best technicians you can get and equip them with the tools they need to make money for you."

Lift assistance

Equipment lifts help technicians to work quickly and independently. Having equipment up off the floor allows them to reach more, see more, and do more with better leverage. Technicians are less likely to need an assist from another tech when the underside of equipment is exposed and within their reach.

"We design and build our lifts to make them as efficient as possible so one technician can do as much as possible on a repair job without having to get help on anything,"

explains Fore. "The minute he has to turn to someone else for help the efficiency of the whole place goes down."

When paying technicians \$25-30 an hour, you are going to want to keep them comfortable and off the concrete floor. Keeping techs happy and healthy is especially a concern with the aging technician field that is leading to a shortage of qualified workers.

Fore suggests every technician have their own lift that complements the size of equipment they are working on. The weight capacity of the lift should match the weight of the equipment.

"We certainly have customers that have three or four technicians all working with one lift, and we always hear that their guys are fighting over use of it," warns Fore.

The time saved and money earned with the use of a lift helps dealers to easily recover the cost of the investment. Investing in the technicians and their tools helps your bottom line in the end.

Fore says that in a typical shop, equipment is going to be up on a lift about 1,000 hours a year. They have surveyed their customers to learn how

the shop's productivity improves.

"We get answers from 10-50% improvement," says Fore. "On the low end of 20% that's only 12 minutes an hour, but over the course of a year is a lot of additional time a technician has to work. Depending on the shop rate, they can gain as much as \$12,000 a year. The lift should pay for itself in the first year and the second year the whole \$12,000 goes toward the shop."

A sharp tool

If your shop works on chainsaws, chances are you are going to want a type of grinder or sharpener. A chainsaw sharpener offers technicians a quick and easy way to get a quality sharpening for the customer. A quick and efficient grinder can save technicians time and increase their billable hours.

A tool like the STIHL USG Electric Sharpening Tool is easy to use and is available with several cutter types. Anybody in the dealership can be trained to use the sharpener. Having other staff perform the sharpening tasks in their downtime keeps the technician free to work on more intense repairs.



STIHL's USG Electric Sharpening Tool

The USG Electric Sharpening tool is designed for super chisel chain as well as hedgetrimmer attachments. Available cutter types include:

- 1/4- and 3/8-inch STIHL Picco Micro
- .325-, 3/8- and .404-inch chain
- Depth-gauge grinding wheel
- Diamond wheel for carbide chains

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The sharpener can also work as a sales tool, attracting customers when stored in a visible but out-of-reach location. When placed in a location where customers can see but not touch, the sharpener gives off a wow factor. Dealers should place impulse buys like safety glasses, oils, files and things that pertain to chain sharpening near the machine.

Dealers with more than one shop or that are located in a large chainsaw market should have more than one sharpener to increase the benefits. It really depends on your individual needs and how much you could benefit from the timesaving tool. Having more sharpeners also allows technicians to keep the machine at certain settings for a chainsaw that is common in the shop.

Air tools of the trade

Air compressors power the air tools that save contractors time and fatigue when using the lightweight tool models. Most air tools are light and stronger than their battery counterparts, allowing technicians to do more in less time with reduced fatigue. The tools also tend to have a longer life, making them an ideal fit for many shops. To power these tools, you need to find the air compressor that is right for your needs.

"Choose a compressor that meets the CFM requirements of your shop," says Dan Leiss of Jenny Products, manufacturer of compressors and generators. "You can calculate your CFM needs by totaling up the tools you run simultaneously. If you have 50 air tools but only run one at a time you don't need a compressor that has the ability to power all of them at once."

The Jenny Products website offers a lot of information on the different

types of portable and stationary compressors as well as a tool for choosing the right compressor for your shop requirements (<http://www.jennyproductsinc.com/howtochoose.html>). Choosing the wrong compressor can lead to overhead in addition of time savings.

"If you have a postage stamp of a yard, you aren't going to buy a lawn tractor to mow it," explains Leiss. "If you get one that's larger than you need, then it sits in the back and becomes a utility."

Compressors can be easily split off to multiple workstations when "plumbed" along the wall and then from the wall to the work station with a hose.

There are many tools available to help increase productivity in the shop. Consider your customer base and the equipment you see regularly to outfit your shop accordingly. An investment in the service department now adds to more billable hours down the line. ■



Air tools save technicians time and fatigue.

Keep Techs Turning Wrenches

Measure productivity in the shop to improve processes and increase profitability.

While being busy is a great thing, if your shop is like most there is a good possibility that you are leaving valuable dollars on the floor. You need to monitor key measurements and take steps to improve your processes on a daily basis.

Keep your techs in the shop

One of the first things to look at is what is happening to your technicians as a whole. Evaluate how often your service techs are in a position to produce billable time for your dealership. Are they spending time each day unloading trucks, helping with customers on the sales floor or behind the parts counter?

Any time a tech is pulled away from turning a wrench is time you are losing the ability to bill a customer for. It is not uncommon for a tech to have an hour a day of unapplied time—and your focus should be to reduce it to zero.

Measure and manage key numbers

The goal of the dealership is to do anything you can to make sure the techs are in their bays creating billable hours. As you look at your technicians, keeping an eye on productivity and efficiency will help you know if you are on track with maximizing your potential billable hours.

When you think of **productivity**, think about measuring the amount of time a technician spends in his bay working on equipment versus the amount of time he is on the clock. As an example, if the technician is being paid for 8 hours of work and is moving and washing equipment, sweeping the floor, and emptying out used oil or trash cans for an hour and a half a day, then the amount of time they have left to spend in their bay producing is 6.5 hours. So the productivity for that tech would be 81%.

Technician efficiency is a measurement of the amount of billable time the technician produces versus the amount of



Increasing billable hours should be the service department's number-one goal.

time he is in a bay working on equipment. With efficiency we are measuring the amount of time the technician is in a position to make money and the money he is making for the dealership in that time.

As an example, if a technician installs a spindle on a zero-turn mower in 45 minutes and utilizes flat rating, the

customer can be billed for 1 hour and the technician is 133% efficient.

For a service department to fully understand how it is operating, both productivity and efficiency must be measured and reviewed. Keep in mind that in most shops, 80% of the opportunity for improvement is in the area of productivity.

Monitor your effective labor rate

Every owner and manager I work with knows what their posted labor rate is, but few have any idea what their effective labor rate is. The effective labor rate is an important measurement of how the service department is doing. The difference between the posted rate and the effective rate is the discounting of labor on work orders because of poor communication between the customer and the dealership on the cost of a repair, as well as the lack of full recovery of labor on warranty work from manufacturers.

If you have a technician that spends three hours diagnosing an electrical issue on a mower and you only bill the customer for 1.5 hours, you have reduced your posted labor rate by 50% on that particular job. If your posted labor rate is \$80, then your effective labor rate would be \$40.

This doesn't happen on every job, but you want to measure all the labor write-downs you make. Track those that happen with customers and also manufacturers for unpaid warranty time, and from that calculate your effective labor rate.

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In most of the dealerships I work with, their effective labor rate is 15% less than their posted labor rate. If your shop is producing \$200,000 per year and your effective labor rate is 15% less than your posted rate, you are giving up \$30,000 in net profit.

Quick tips to implement now

The question that has to be asked is, "How do I keep my technicians in their bays, turning out billable hours?" Here are some things to consider for making a technician's job easier and you more profitable.

- Stage the next job for the technician so he doesn't have to go to the lot and move three pieces of equipment to get the next piece he is going to work on.

Service department productivity and efficiency must be measured and reviewed regularly.

- Deliver parts to the technician's bay so he doesn't have to stand at the edge of the parts counter and wait for the parts people to take care of the customers before him.
- Be sure the technician has correct and thorough information about the work or service he is about to begin.
- Encourage the service manager or service writer to get the cell phone number of the customer receiving service. Then the technician can get quick authorization to do work instead of needing to wait for a couple of days before they can move forward.

By measuring and managing the right numbers in your service department, it can quickly become the most profitable part of your dealership. ■

About the Author

Bob Clements is the president of Bob Clements International, a consulting firm that specializes in the development of high-performance dealerships. For more information, visit bobclements.com.

Take the Peak Out of Your Peak Season

Five steps to effectively promote service early in the year and ease the pain of spring surges.

The end of the year is a great time to begin thinking about how to preserve cash flow during the slow season, and how to reduce the pressure of next spring's peak. It doesn't make sense to work hard all year long only to lose all of your profits during the next few months.

As important as cash flow is, so is getting done in January and February the work that would likely come to you in March, April and May. By having as much work as possible done in advance, you flatten the peak of your service season and free up more time to better serve potential new service customers. It also eliminates the need for that extra technician you might pick up during the busiest part of your year.

Special service offers and incentives

The most effective way to generate pre-season work is to make contact with your existing customers through direct mail, phone, or a combination of both, with an offer to service their equipment before the spring season starts. You will want your offer to end about 30 days prior to when your normal spring season begins in order to give you a chance to finish the work and prepare for your normal busy season.

Your offer should be simple for the customer to understand and attractive enough to get them to take action on. You may offer 5% off of the parts,

service, pickup and delivery, or simply free pickup and delivery with the normal rate for service.

Once you have decided what you are going to offer and for how long you, make the offer. Compile a list of all your customers and sort them by consumer, commercial and municipal. For the most part, you want to target your consumer customer base. There is an opportunity to do pre-season service with your commercial and municipal customers, but you may want to make them a different offer which includes special pricing on blades, belts and filters for use over the course of the coming season.

As you think about and prepare your postcard/mailed, remember the following five tips:

1. Keep it friendly. When your postcard arrives in the mail, you don't want your customers to think of it as another piece of junk mail but rather as a message from a friend.

2. Drop the sales pitch. These are your customers, who have done business with you and know you. If this is the first time you have done a mailing, you want to generate enough interest from your customers so that they will either call you. If you call them, they shouldn't feel like you are hammering them for their service business.

Briefly state the benefits of getting the equipment serviced prior to

the beginning of the season. Then, use the remainder of your postcard to motivate them to get more information by calling you or going to your website.

3. Timing is everything when it comes to direct mail. Send your postcards so that they arrive on either a Tuesday or Wednesday. The amount of mail delivered on those days in both the United States and Canada is usually light, giving your mailing less competition.

4. Follow up with a phone call. This is one of the most important elements to your pre-season service campaign. Following up can easily double the amount of pre-season work your shop sees.

5. Be consistent and persistent. Don't just mail once in November, cross your fingers, and hope for the best. Do it again in December and a third time in January. According to direct-mail marketing studies, your persistence will ultimately pay off.

Give your slow season a boost that will improve your cash flow and take the peak out of the 2014 season. ■

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