Doing what we've always done and expecting a different result

By DR. LARRY COLE

You will recognize the title of this article is the popular definition for insanity. Surely that definition doesn't fit your dealership.

I know that you want to be more successful next year than this year and that speaks to the name of a best-selling book *What Got You Here, Won't Get You There* by Marshall Goldsmith. That means you can't apply the popular definition of insanity to your dealership.

Let me share a couple stories with you. First, I had the chance to attend a WEDA-sponsored parts seminar and learned **a formula showing what the dealership must do to recoup wasting U.S. $1.50. The formula is expense ÷ percent of net profit.** Using the industry average of 2 percent, the instructor showed that to recover the loss of $1.50 the dealership must sell U.S. $75 to recoup the wasted $1.50:

$1.50 ÷ .02 percent = $75

Most of the participants were shocked by this financial fact. I was shocked they were shocked. I would have thought this was common knowledge among parts professionals. Assuming made an A** out of me (remember my training is in psychology not finance). Here's the good news. Those participating in that seminar now know… and they can apply that knowledge at work because their dealer principals enrolled them in the class.

Second, a dealership recently told me about another eye-popping event. A WEDA representative completed an on-site course through which the dealership changed its compensation process for its salespeople. This dealership was elated about implementing the idea. (Sorry, but I don't have permission to share that idea.)

Again, the point is made that training provides the opportunity to be exposed to new ideas that can provide significant and positive effects to your financial bottom line. Keep reading.

The financial shock is going to get worse

WEDA has drafted more than 30 timewasters *(see sidebar)* that occur within the culture of a dealership. Research shows that an organization loses 25 – 30 percent of its operating efficiency due to a variety of timewasters.

Let's return to the financial formula. Let's use the industry average of operating a store at U.S. $1,000 per hour. Twenty-five percent, or $250, is lost to inefficiency. Let's apply the formula: $250 ÷ .02 percent = $12,500. Yes, the dealership must do something to generate $12,500 for the lost efficiency of one hour. If we multiply that figure by eight hours, the cost is scary so I'll let you do it. And this silent thief gets worse when you look at monthly and yearly losses. Yes, WEDA offers a course and management systems to at least minimize if not eliminate timewasters so you can quit throwing your money away.

Generate ideas

We know that elite leaders and peak performing organizations are hungry for new ideas. Steve Jobs, the late founder of Apple, visited kitchen appliance stores in search of ideas to make Apple computers more user-attractive and -friendly. Every dealership must look in the mirror and ask, *"What are we doing to ensure a steady stream of new ideas?"*

Read and read some more

Reading is an excellent source for new ideas and this brings another story to light. Okay, I may start walking on thin ice. I frequently ask seminar participants to tell me how good they want to be as a leader on a scale ranging from 1 (low) to 10 (high). Almost everyone rates themselves 8 or higher. My next question is asking them to write the name of the book currently being read to improve their leadership. Few people write anything. What does that tell you?

It tells me the dealership doesn't have a culture of continuous improvement. *Ouch.* It's okay to disagree with me, but let's look in that mirror again.

Don't ignore education

I encourage class participants to take advantage of every educational opportunity the dealership offers, plus take control of their destiny and establish good reading habits. After being a consultant for 30 years, it still baffles me why a dealership exists without an accompanying philosophy to be the best it can be. It's just as important that employees have the same philosophy.

The underserved rap against training

Training gets a bad reputation and it's well known that billions of dollars are wasted every year because the training is not put to use. I know who gets blamed for this waste. But let's look at this issue from an-

DR. LARRY COLE
is a lead trainer for the Western Equipment Dealers Association's Dealers Institute.

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other perspective, i.e., the dealership's responsibility.

The president of a dealership expressed frustration that students sent to a WEDA class didn't spontaneously share the information they learned upon returning to the dealership. Class attendees prepare a Leadership Improvement Plan in classes that I teach and they're encouraged to share the content of their reports with supervisors. Do I have control over that being done?

I thanked the president for bringing this to my attention because it helped us improve our process. Principals now receive an email after each class detailing the steps to be taken to put an employee's plan to work.

The fact is every dealership and its employees could benefit from training on a variety of subjects.

But being profitable can often cause people to look through a clouded vision that being successful eliminates the need for additional training. Success can be a terrible disease leading to the attitude that "good enough is good enough." You want to put a constant flow of new ideas to work to help your dealership to go where it's never been. Participating in training events is an excellent source for new ideas and the dealership is responsible to put those ideas to work. WED

LARRY COLE, Ph.D., is a lead trainer for and consultant to the Western Equipment Dealers Association's Dealer Institute. He provides onsite training and public courses to improve business leadership effectiveness and internal and external customer service. Please send questions and/or comments to Larry at teammax100@gmail.com.

WEDA's List of 32 Timewasters

Here is a list of 32 timewasters developed (and observed) by trainers for the association's Dealer Institute. Some dealers may add to this list but even one of these timewasters is detrimental to the performance of your business.

1. Lack of accountability or following through on what we say we will do.
2. Not holding people accountable to achieve job expectations.
3. Not keeping people informed with needed information.
4. Communicating inaccurate information.
5. Communicating incomplete information.
6. Conflicts between departments.
7. Low employee morale negatively impacting performance.
8. Uncomfortable/stressful working relationship with a supervisor.
9. Micromanaging/controlling supervisors… "It's my way or the highway."
10. Employees coming to work late.
11. Lazy employees requiring others have to pick up the slack.
12. Personality conflicts between employees.
13. Lack of clearly defined job expectations.
14. Confusion about not knowing who is responsible to complete job responsibilities.
15. The lackadaisical/laid back culture, i.e., seems we don't care.
16. An active rumor mill.
17. Meetings are not productive.
18. Team meetings starting late.
19. Too many meetings.
20. Smart people do stupid things… or stupid people doing stupid things.
21. Dealing with family ownership issues.
22. Not everyone onboard when implementing change.
23. Multiple supervisors giving conflicting instructions/direction.
24. Frontline supervisors violating the line of authority.
25. Supervisors providing inconsistent information.
26. Supervisors not supporting each other.
27. Employees complaining to each other about the organization.
28. Employees "chit chatting" or discussing the latest rumor.
29. Someone gets mad.
30. Employees harassing each other.
31. Different set of rules for low and high performers.
32. Employees or supervisors rejecting feedback.