

We make our culture and our culture makes us

By DR. LARRY COLE



Imagine learning about your dealership's culture from a Koi, a red-gold carp.

The ultimate size (and sometimes colors) of a Koi is determined by the environment in which it resides. What does that phenomena tell you about the effect of your dealership's culture?

Let's begin this journey by considering a dealership's culture that embraces authoritarian or centralized control. Senior leaders make decisions and tell their employees what to do. Often times the mantra within this culture is, *"I will tell you what to do, how to do it, and when I want your opinion I will ask for it."* Employees are often fearful of being punished should they make a mistake. Consequently, creativity and production are stifled.

Let's contrast this culture with the dealership that completes regularly scheduled employee surveys to monitor employee morale and conducts customer service surveys to monitor customer satisfaction. This dealership expects their empowered employees to make independent decisions. No, this dealership is not perfect but is striving to create a culture that challenges and values their employees because the CEO understands such a culture promotes productivity and net profit.

Before proceeding consider two questions. Of the two cultures we've discussed, which one would you prefer working in? Which one do you think is more productive?

How is a culture made?

The simple definition of culture is "that is the way we do things around here." Whether you like it or not, your dealership has a culture by default.

If you should happen to be the owner or the CEO, then I ask you what personality characteristics do you see when you look in a mirror? Do you see controlling behaviors? Empowering? Or, perhaps you see a CEO that avoids conflict and engages in a more *laissez faire* relationship with employ-

ees. Whatever you see will have an effect upon your dealership's culture.

Keep looking and examine the personality of the individuals within your management structure to begin understanding your dealership's culture. Unfortunately, many dealerships allow their culture to be defined by the whim of these personalities. Of course, senior leaders' personalities have a greater effect upon defining the dealership's culture than lower level managers. With that being said, let's suppose a first line supervisor is a "control freak" regardless of the senior leaders' personalities. Yes, this supervisor's need for control will have a major effect upon their department's culture and it will be negative.

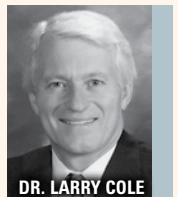
Carol Dweck, in her best-selling book *Mindset*, places culture on a continuum ranging from a "fixed" one to one of "growth." Just as the names imply, a dealership with a fixed mindset is interested in profitability, but is not focused on developing the talent that resides within the dealership. A culture of "growth" understands the dealership is a university in which employees can maximize the development of their technical and interpersonal skills.

Your culture has a major impact upon your net profits

Now the question is what can you do to create a culture that maximizes net profits? To begin with realize that it's not just going to happen because you would like for it to exist. Following are the required steps:

First, define the behavioral characteristics of a high-performing culture. That culture will include such words as integrity, trust, respect, open communication, teamwork, empowerment, humility, and engagement. You will note these words are easy to pronounce, but they are abstract. You must define the performance standards to make them living within your dealership.

Let's use empowerment as an example. Suppose you want a customer service



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friendly culture. A primary characteristic of this culture is to delegate the authority downline to make the decisions necessary to effectively service your customers. This culture wants every employee to focus on 1) retaining your existing customers and 2) developing new customer relationships.

Yes, I believe everyone can learn to delegate authority. But suppose you're a control freak. Do you see a dichotomy with creating an empowering environment?

The answer to that question leads to the second characteristic that must be done. Your employees and you will have to change your behaviors. Let me start this discussion by saying change requires focused, hard work.

Change can be made easier by establishing a behavioral blueprint. To show you how to achieve that, let's continue our empowerment example.

Your employees must know what decisions they are empowered to make. Perhaps your employees have a dollar amount that can be used to satisfy a customer issue. Contrast that cultural statement with the one that states employees have the authority to do whatever it takes to satisfy the customer. That latter statement may cause heartburn for some dealerships.

In Summary

Let's end this article as we began talking about the Koi fish. If you want the fish to grow, then your **first responsibility** is to develop a cultural blueprint that focuses on achieving results while engaging and developing your people.

The **second requirement** is to identify the values you want to char-

acterize your culture. Once these are defined, **step three** is to define the behavioral blueprint to show the journey that every employee must follow to create this culture.

The **fourth requirement** is that each employee must decide to integrate these blueprints into their day-to-day actions.

The **last requirement** that I'll address in this article is one of accountability. The management structure must hold itself and its employees accountable to put the blueprints to work. **WED**

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HERE'S WHAT YOU SOLD – Equipment Retail Sales in Units

U.S. – October 2017 Ag Tractor and Combine Report	October			Y-T-D October			October 2017
	2017	2016	% Chg	2017	2016	% Chg	Beginning Inventory
2WD < 40 HP	13,747	12,301	11.8	127,084	117,364	8.3	68,245
2WD 40 < 100 HP	5,854	5,750	1.8	48,140	48,405	-0.5	31,784
2WD 100+ HP	3,046	2,136	42.6	14,725	16,109	-8.6	8,622
Total 2WD Farm Tractors	22,647	20,187	12.2	189,949	181,878	4.4	108,651
Total 4WD Farm Tractors	536	466	15.0	2,037	1,936	5.2	820
Total Farm Tractors	23,183	20,653	12.3	191,986	183,814	4.4	109,471
Self-Propelled Combines	503	297	69.4	3,439	3,340	3.0	1,003

Data provided by the Association of Equipment Manufacturers (AEM).