

Built to Win



Balancing People, Processes, and Technology

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Building a winning team in the dealership is less about focusing on a specific end result and more about evaluating your dealership-wide approach...

When you think of a winning team, what's the first thing that comes to mind? The year your favorite professional sports club won it all? The trivia night you and your friends dominated? Or something more serious, like a task force working together to make sure your business is classified as "essential?"

These are all suitable answers, which goes to show the concept of a "winning team" can mean different things to different people.

That same ambiguity can apply in your dealership. Of course, any dealer, if asked, would immediately say yes, of course they want their business to operate as a winning team.

But what exactly does "winning" in the dealership look like? The answer is trickier than you might assume, because whatever aspect of the business you focus on comes with inherent trade-offs.

For example, winning to you might mean crushing revenue goals month after month. But, if your employees are putting in longer hours and burning out to make that happen, could retention issues and costly turnover cancel out those gains?

Or, you might measure success by an increase in repair orders processed in the service department. But, are the new processes you implemented to help make that happen so laborious they eat into employee productivity, creating hidden costs in other areas of the business?

The counterintuitive truth is, building a winning team in the dealership is less about focusing on a specific end result and more about evaluating your dealership-wide approach to balancing people, processes, and technology.

Indeed, in a business that consists of many different departments and innumerable moving parts, success and sustainability ultimately come down to the interplay between your people, processes, and technology – how they function together and complement one another.

The Three-Legged Stool Concept

There's a useful metaphor to help explore these concepts and how they connect: the three-legged stool.

The three-legged stool has always been a great symbol for organizational structure. The legs represent the principles that prop up your business – people, processes, and technology – and the seat represents your dealership as a whole. Although each leg of the stool is separate, they are all connected and must be balanced; otherwise you risk toppling over the entire stool (or in other words, your dealership).

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That's a useful image because it illustrates how these three core concepts work together to keep your dealership running, and if a single piece is missing or underdeveloped it could throw off your entire operation.

Having the right tools in place facilitates smooth processes. Smooth processes empower people to do their jobs more efficiently and more effectively. And, better employee performance often translates to satisfied customers and increased revenue and profitability.

However, that still leaves us with our over-arching question: How can dealers balance these priorities in a way that produces consistent results and a winning team?

Let's take a moment to examine each core concept in greater depth.

People

Who exactly do we mean when we refer to "the people" who make your business run? Ultimately, the people who matter are those who contribute to your dealership's success, including:

- The employees and management who run your business day-to-day;
- The customers you serve;
- And the people at the companies you partner with to maximize your success.

Consider your employees who already have challenging jobs. Are you also asking them to navigate laborious, tedious processes while using technology and solutions that aren't intuitive, forcing departments to be siloed?

That's often the normal scenario in many dealerships. Employees can become disengaged and less productive, and eventually burn out. They may eventually seek other employment altogether, contributing to the exorbitant costs of turnover (it typically costs 150 percent of an employee's salary to replace them*).

Your customers also feel the pain of time-consuming processes and ineffective tools, and it's critical not to annoy them or waste their time. If your customers think your dealership is poorly run or slow to respond to their needs, you'll lose out on short-term revenue opportunities and suffer long-term reputational damage.

Finally, the various companies and vendors you partner with will obviously have a direct impact on what processes and solutions you have in place. And, perhaps more importantly, the people at those companies that support your business can make or break how successful your employees execute processes.

* Zen Workplace

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Technology

I want to speak on technology before processes, which I'll explain in a moment.

The technology that represents the second leg of your stool includes all the solutions that make your dealership operational. That encompasses the tools required for day-to-day functions and those you implement to increase efficiency and profitability and improve the customer experience.

However, dealers often find that different technological solutions from different providers result in duplicate work and manual entry, creating new problems in the place of old ones.

It's also critical your solutions feature employee- and customer-friendly interfaces to guarantee both ease of use and higher engagement – but they often don't.

Finally, the best measure of whether a solution is delivering real value for your dealership may be a simple cost-benefit analysis: Is the profit margin created (whether by increasing revenue, decreasing costs, or both) worth the investment?

When making this judgment, remember any solution that isn't empowering your employees and streamlining your processes is most likely creating under-the-radar costs (in the form of wasted time and lost productivity) in other areas of your operation.

Processes

Now we get to processes, the final leg of our stool. I saved this for last because it's important to understand what the term actually refers to: the various workflows, both within and between departments, which get you from warm lead to closed sale to loyal service customer, over and over again. Processes are the result of both the technology you invest in and how your employees use it.

In recent decades, digitization has dominated the discussion around processes in the dealership. It involves the slow but steady transition from manual, paper-based, time-consuming workflows to digital, often automated actions yielding quicker results.

However, the industry has adapted to this shift in fits and starts, meaning the typical dealership ends up with partly digital, partly manual processes that may result in unnecessary duplication of work (think re-entering the same customer information multiple times in multiple places) and increased chances of error.

This actually mirrors the technology problem mentioned previously: if your dealership implements a range of solutions from several different vendors, the chances of everything syncing up perfectly across workflows are slim-to-none. That can make processes

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more drawn-out, labor-intensive, and time-consuming than they need to be, at the expense of your employees' satisfaction and effectiveness and your bottom line.

The Balancing Act

So, how do we balance these concepts in a way that prepares the overall dealership for sustained success?

The answer is deceptively simple. The key to balancing these priorities and maximizing effectiveness is to find ways to build them all up simultaneously – something that can only be done when they're all interconnected.

This means taking a dealership-wide approach and asking yourself, "How do I improve my people, processes, and technology all at once?"

How is that achieved in practice? A logical place to start would be the system that touches nearly all of your people, processes, and tools, the dealership management system (DMS).

By re-evaluating what your DMS does and doesn't deliver for your business, it quickly becomes clear which legs of the stool are underserved.

Look at your dealership and ask yourself a few key questions:

- Is my dealership using a system built on a single platform, using a single set of data in all departments and applications?
- Are my employees able to enter data just one time and have it be instantly accessible across multiple departments and applications?
- Does my system provide my employees all the information they need about a customer, a sale, or a service visit at their fingertips?

These attributes describe the kind of system you need in place to balance your dealership priorities by building them up simultaneously. They emphasize a seamless workflow between individuals and departments. It's the kind of flow that minimizes errors, eliminates the costs of duplicated work, empowers your staff, and better serves your customers – all at the same time.

They describe not a DMS, but an RMS – a Retail Management System.

With such a system in place, what "winning" in the dealership actually means becomes clear: increased efficiencies, boosted revenue, reduced costs (both financial and in the form of wasted time and resources), improved experiences, and ultimately, greater long-term profitability.

In other words, winning isn't a focus on any one short-term result, but rather a shift to a dealership-wide approach that prioritizes across-the-board improvement.

This is how you empower your employees to leverage effective technology and work within seamless processes to deliver peak performance day after day.

This is how winning teams are built.

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