

Better Your Business

A Guide to Shop Management

September 2002

“There is one thing that shop owners must remember to ask themselves: How can I make my shop more productive?”

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Introduction

This newsletter has been written to help shop owners identify ways to increase their profit. Included in this paper are ten different things that you can do in / to your shop but please don't stop there. Instead, you must think in a different way. Analyze your shops processes and look for new and better ways of doing things. Henry Ford implemented the assembly line into the production of the Model T. This allowed the same number of workers,

working the same number of hours to produce many times more vehicles than they could before.

The business world is getting more competitive every day, so you must become a better businessperson every day. Technology is one way that companies gain a competitive edge. Shop management systems, diagnostic equipment, and ordering parts on-line are all ways to save you time and increase your bottom line. There is no single answer

that works for every business...but you can improve and increase the profitability of your shop.

Think about spending \$1000 to save 5 hours a week. You may think that \$1000 is a lot of money. If it saves you 5 hours a week, at \$60/hr, it pays itself back in less than 4 weeks! A good technological expense is one that saves you time and increases your customer service levels. In this newsletter we'll look at some ways to do that.

Do I Need A Computer?

Well, you don't need a computer, but if you would like to increase your profit and make your life easier, you want a computer. Not only do computers make your job easier, they give your business a more professional appearance by al-

lowing you to create computer-generated invoices. A computer will allow you to analyze your business and help you to understand how you can change to increase profit. You can look at your history of jobs and determine whether a certain type

of job is profitable or not, and if it isn't you would probably want to stop doing those particular jobs. Don't be afraid of computers, even if it takes you some to understand them, at the end of the day it will be well worth the investment.

Resources That Begin With a "www"

There are many resources available to the industry, but one of the most valuable is often overlooked. The internet offers thousands of sites

filled with valuable, easy to access information. Forums allow technicians to keep in contact and ask for advice from others in the field.

Visit these sites:
www.transbuilder.com
www.atra-gears.com
www.atsgmiami.com
www.autoguide.net

Quality Hardware

There is no substitute for good hardware. An inexpensive, poorly designed computer can make you life a living nightmare. Many people fail to see that software is only as stable as the system that it is running on. There are a few things that you should look for and understand when purchasing a computer.

Clock speed – Clock speed is “how fast your computer is” There are now processors over 2.0 GHz (1 GHz = 1000 MHz) Realistically, anything over 800 MHz will fit the needs of most business applications.

Processors – Pentium, Celeron etc... If you have looked at computers you have probably heard these names before.

Businesses are suggested to choose a Pentium III or 4. These processors have more “cache,” or processor memory. This allows them to run faster and be more reliable. Choose a processor that has 256-512K of cache.

Memory (RAM) – Most new computers come with a sufficient amount of RAM. It is suggested that you have between 128 and 256 MB. 128 MB is a good place to start, you can always upgrade later (providing you purchase a good computer that can be upgraded)

Hard Drive – How big does my hard drive need to be? Well, that depends on what your using it for. Small businesses will have more than enough room with a 20GB hard drive for their day-to-day

tasks. However, hard drives are relatively cheap now so getting a 40-80GB would be fine too. Anything over 60GB is a bit excessive but if you love gaming and collect music and videos (on your lunch break of course) you may want it.

You Get What You Pay For – You can go down to Joe’s computer shop on Main Street and get a computer with 400 software titles for \$900, but you’re not getting quality components. These computers just don’t run fast and are unreliable. Think about purchasing a computer from Dell™, IBM™ or Gateway™. Work with a reliable company that offers same day service.

Windows That Open Doors

Windows 98, ME, 2000, XP... Which is right for me? Choosing an operating system is very important. “Businesses should only run NT based systems including Windows 2000 or XP Professional.” Stated Iain Baker, founder of Advance Software. Baker went on to say, “These two operating systems are proven to be the most reliable and stable operating systems that Microsoft has ever made. Windows 98 and

ME do not hold up in a business application.” However, there is one thing to take into consideration. Will all my current software be compatible with Windows 2000 or Windows XP? It is known that the ATSG CD’s are not compatible with

“Businesses should only run NT based systems, including Windows 2000 and XP Professional” - Iain Baker

Windows 2000 or XP, which is a problem for many so please be sure to check all of your software before you consider upgrading. For more information on Microsoft or their family of operating systems, visit them on the web at www.microsoft.com.

Dollars and Sense

Accounting...could be a nightmare or could be as simple as a mouse click. Intuit’s QuickBooks™ Pro has been a top choice by many businesses and continues to be the most popular accounting software in the country. It makes sense of accounting, eliminating math errors, allowing you to print reports and look at your company’s

finances in different ways so that you can understand where your money is going and how you can cut costs and increase profit. A good shop management program will have an interface with an accounting program such as QuickBooks.™ At the end of the year, you can then give the QuickBooks file to your accountant. This saves your

accountant hours of crunching numbers and flipping through pages of paper allowing them to look at the details of your business and get the job completed quickly. Saving your accountant time saves you money as well. For more information on Intuit’s award winning software, visit them on the web at www.intuit.com

Appearances and First Impressions

You never have a second chance to make a first impression. You've heard this many times but does your shop reflect this everyday statement? When will the customer make that first impression? Chances are, they will make that first impression on the phone. Consider writing a phone script. Ex. "Good Morning! Thank you for calling John Doe's Transmissions. How can I help you this morning?" A simple two-sentence introduction with a cheerful attitude will leave a very good impression and requires no money. This good first impression will get the customer to your door. What next? Make the customer like what they see when they get to the door. An office that is separate

from the shop with a clean counter will give the impression that your shop is very professional. A fresh pot of coffee is an inexpensive way to satisfy a customer who is most likely unhappy due to the fact that their vehicle needs to be fixed. These things add up in the customer's mind as they build an impression of your shop and if done properly, will give the customer a good feeling about the work that is being done. Women are involved in making over 60% of the purchasing decisions in this country. Is your shop clean enough? Would a woman come into your shop and sit down comfortably and not worry about dirtying her blouse?

Don't Type... Import

Check with your part supplier(s) and find out if they offer pricing CD's or disks. If you choose good shop management software, you will be able to import all the part numbers, descriptions and pricing information that is specific to your shop. This means that you will not have to pay someone to do the boring and tedious job of entering your parts and pricing information. This also means that you can lookup parts on your computer and stop flipping through the pages of books for pricing or part details. Ensure that the import adds a prefix or suffix to the part numbers so you will be able to differentiate between two different suppliers that use the same part number.

2 Are Better Than 1

If you have a current system, can more than one person access the information at the same time? If not, it may be worthwhile to investigate multi-user systems. A multi-user system will allow a technician to enter information while working on a job, your secretary to close out an order and receive payments, and you to view last month's details. Having one system can sometimes cause a bottleneck and create un-

necessary work. Do your technicians fill out paperwork and then your secretary enter it into the computer. Why not have the technicians enter the work information and have the secretary take care of customers. Then, when there are no customers in the shop, your secretary can do follow-up marketing to help bring in more jobs. You have the same number of employees but are getting more work done!

Parts & Labor

If you don't have a parts and labor guide...GET ONE! This will save you countless hours. What is better than a parts and labor guide? A parts and labor interface with your shop management software. Instead of looking up the parts and labor in one application and then having to type them into another, find shop management software that will get the parts and labor information from the labor guide automatically. Features such as "labor markup" allow you to "markup" book-hours so the system will automatically adjust the hours coming out of the labor guide are found to be helpful if you find that a labor guide is normally off by a certain percentage. Vision Estimator by Wrenthead now offers installers the ability to implement e-commerce through Wrenthead Central. This enables you to purchase parts online from supported suppliers. For more information on Wrenthead and their products, visit www.wrenthead.com

Decode the VIN

Ordering the wrong part is not a good time. Get a VIN decoder to ensure that you have the correct year, make model and engine size every time. This will ensure that you will always have the correct part for the job and eliminate any delays due to ordering an incorrect part. Shop management software is available that has built in VIN decoders so all you have to do is type in

the VIN and the computer automatically fills in the year, make model. Not only does this help you to order the correct part but it also saves time typing. You're only entering the VIN! VIN decoders are an easy way to increase the efficiency of your shop with very little capital outlay.

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Here at CAMM we offer the number one shop management software package in the industry. We have solutions to all of the problems that are addressed in this newsletter as well as an arsenal of powerful features to improve productivity, simplify your processes and increase customer satisfaction. TransITtrak Shop Management software is available with interfaces to both QuickBooks and Vision Estimator and contains features such as a multi-user interface, inventory tracking, parts and pricing imports, security groups, a repair order that prints on plain paper, VIN decoder, complete vehicle history by VIN or customer, accepts multiple payments, browses and searches allow for easy customer and part lookup, a zip-code database for fast entry and more...

For more information on TransITtrak or services that we can provide to help your business be more productive and make more money please contact us at: (860)674-2600 or visit us on the web at www.transittrak.com.

Get Back Here!

Hopefully you have been successful getting clients to your door with advertising or techniques earlier described in this newsletter. The next step that you must take in order to be more successful is to get your previous customers to come back and do business with you again. A customer who has had a positive experience with your business is likely to return when they need your services again.

When do they need your services?
Most people do not understand that you should have your transmission flushed and fluid replaced every 40,000 miles. Sending out marketing materials such as postcards is a very cost-effective way to remind your customers that they can use one of your services to prevent future transmission problems. If there is a period of time in which your business is normally known to be slow, it

may be a good idea to offer a discount on fluid changes for that specific month. You could then send out fliers one week previous to the determined month to all your customers. If you create a good message and an appealing deal, your customers will come back for your services again, hopefully filling a period of low activity.

One shop that we know of offers a 12,000 mile, one year warranty. To get their customers back in the shop, they give them this simple sales suggestion as they are picking up their vehicle: "Mr. Customer, you have a 12,000 mile one year warranty. What I would like you to do is come back and have your transmission serviced in 11 months. I normally charge \$185 for a transmission service, but I'll give you a discount to \$150. That way you'll have your transmission checked out just be-

fore it goes out of warranty and you'll be safe knowing that everything is in good shape." What a great way to get customers back in to see you and to secure repeat business! Unless your customers are having regular contact with you they will not be thinking of you.

Please Remember:

In order to prevent data loss and unwanted system downtime please be sure that you not only have a virus scanning program but keep it updated as well. Also ensure that you backup your important data on a daily basis. There is nothing more frustrating than having to go back and re-enter data due to the effects of a virus. Money spent on these items is well worth it.