

Sales Training is an investment

By Chris Schulthies

Q. What's worse than training your people and having them leave?

A. Not training them and having them stay.

While studying to complete her M.B.A. my niece took a job as a bartender at a local Kelsey's restaurant. Once hired, she had to complete a three week formal training program to become a bartender. I was quite intrigued by this require-

ment for someone to mix and sell five-dollar drinks as it occurred to me that many dealerships are reluctant to commit to even a week of formal training for a salesperson who sells \$30,000-plus vehicles. And who is expected to generate several hundred-thousand dollars of gross profit annually with 100-percent customer satisfaction.

How essential is training?

Everywhere I travel across the United States and Canada, sales managers, dealer principals and OEM managers agree that professional training of dealership personnel is essential for survival and success in this competitive and volatile industry. Yet, whether it is the dealership or the OEM, training is often the first expenditure scrutinized, reduced or cut altogether during budget reviews or lean times. Does the automotive industry really believe in the benefits of training its front line sales staff and management, or do we simply pay it "lip service"?

Combined, OEMs and dealers spend multiple millions of dollars in advertising in all forms of media for the sole purpose of driving traffic to showrooms. Much of that money, creative advertising and energy invested to get prospective customers to the showroom can be instantly shredded, however, if when they do come in they are greeted by an untrained salesperson followed by an unsure sales manager. In an industry where we are constantly looking for an edge over the competition – a new factory incentive program, a sales event, a new ad campaign, or

whatever – is a well trained sales and management team not one of the best competitive edges and most lucrative returns on investment?

Better yet, unlike many forms of marketing and advertising, the results of quality training are measurable.

Arguments don't wash

Some dealer principals argue that they spend money training and their people end up leaving anyway. Digging a little deeper might uncover numerous reasons for this problem. Poorly trained management and lack of support for the initial training are common factors. In other words, the sales trainer of the training organization teaches a salesperson one thing, and upon return to the dealership the sales manager "debriefs" and "teaches" the returning salesperson the complete opposite. And, yes, in some cases the training itself may be suspect and ineffective, as a result of a poor or inexperienced facilitator or outdated content.

Other dealer principals argue that training is the job of the sales manager. We expect our sales managers to be recruiters, trainers, coaches, leaders, motivators, deal makers, marketers, merchandisers, inventory managers, administrators and more. Today's sales managers however, often admit that they are absolutely overwhelmed by the barrage of administrative duties alone and have very little time to spend training and coaching salespeople. Training is also a very specialized skill set and the question must be posed; even if the sales manager had the time, inclination and energy, is he/she an effective sales trainer?

When we ask salespeople why they quit selling cars in their first three to six months of being in the business, one of the most common responses is simply "I didn't receive any training." Now this might sound like a pretty big commercial for training from a guy that owns a training business; however, it is simply a fact. Many experienced salespeople

and sales managers are also in dire need of training; sales methods and techniques learned years ago may be ineffective or even offensive to today's savvy customers.

Moreover, when was the last time the sales manager received formal training? The person responsible for managing and motivating other people and ensuring sales results, that is. In an industry that still suffers an extreme rate of salesperson turnover, training can be a significant part of the solution.

Question your commitment

As a dealer principal or general manager, ask yourself these important questions:

1. Does my dealership have an effective training strategy for both sales staff and sales management? Is it consistent?
2. Does my dealership have a low or high rate of salesperson turnover? Why?
3. In a boom market when floor traffic is abundant, is my dealership maximizing this opportunity by closing 25 percent or more of the traffic? (Trick question: do you even know what your closing ratio is?)
4. Does my dealership have a modern and effective sales process? Is it documented, trained, re-trained and enforced?
5. Has my dealership modernized its sales process to reflect the buying style of Internet shoppers and the information available to them on-line?
6. Are my salespeople and sales managers equipped with the very latest and very best sales strategies, techniques and closes? (Or is the same old, same old, ho hum!)

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7. Who has a better trained sales and management team - my dealership or my direct competition down the street?
8. Does my dealership do a good job with e-mail, telephone and 'best price' inquiries from prospective customers?
9. If my technicians receive formal training to 'fix' cars, do my salespeople receive formal training to 'sell' cars?
10. As a Dealer Principal or General Manager, if I were to go back in time and start my career all over again as a salesperson on the showroom floor, would I want formal training for myself?
11. Would you work for you?

The best results in training are most often a two pronged approach: outsourced formal training utilizing professional sales trainers combined with highly-developed in-dealership coaching from enthusiastic and knowledgeable managers. A qualified sales trainer and credible training organization will come to understand the culture and demographics of a dealership and assist it to establish or re-establish a modern sales process that fits its style of business.

When trainers and managers work in unison to establish a training strategy for the dealership, the results can be immediate - increased vehicle sales and gross profits with improved customer satisfaction and retention. Training also improves employee satisfaction and significantly increases employee retention. If you were able to quantify the true dollar cost of missed sales from poorly trained salespeople and managers and the financial expenses of high salesperson turnover, an investment in training will often seem like a bargain in comparison.

The pros know

Olympic athletes train and have coaches. Tiger

Woods and Sydney Crosby train and have coaches. Fortune 500 CEOs retain professional trainers and business coaches not only for their staff and management, but for themselves as well. These individuals at the top of their given professions do not necessarily need trainers and coaches to teach them the fundamentals of their sport or industry. Yet, whether it be professional golfers constantly practicing

and tweaking their swing, or professional hockey players practicing three-on-two rushes up the ice, the people that rise to the top ranks of their vocation are trained on a daily basis.

They view their ongoing training not as an inconvenience to their daily routine or a financial burden or expense, but rather as a part of their daily career activities and an investment in their future.

Shouldn't you do the same? ☎

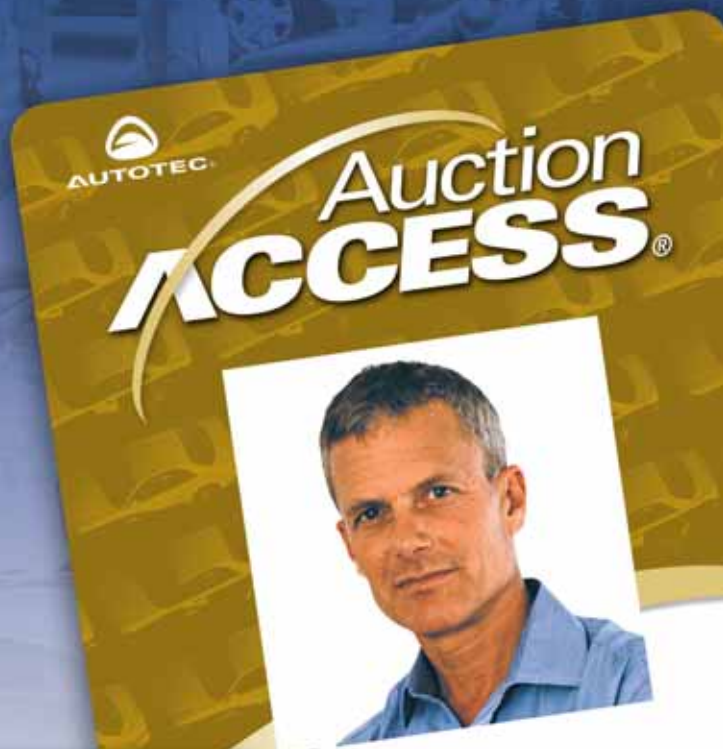
Chris Schulthies is president of Wye Management, a training resource for salespeople, F&I managers, sub-prime managers, used-vehicle managers and sales managers throughout Canada and the U.S. The company also develops national training programs for OEMs and suppliers and Chris regularly speaks at industry conventions and 20 Groups. He can be reached at cschulthies@wyemanagement.com.

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