

# When it comes to selling cars, are you 'old school' or 'new school'?



BY CHRIS SCHULTHIES

I often ask myself this question: "When it comes to selling cars, am I 'old school' or 'new school,' and which is better?"

Over the past decade, there has been a twofold evolution with respect to selling cars: a changing sales process on the showroom floor and a researching/buying process on the customer's part.

In the '80s and early '90s, many North American purchased and implemented a complete, step-by-step sales process from a variety of training companies. These off-the-shelf sales processes had highly defined steps and formulated word tracks for both salespeople and sales managers.

Trainers would install the sales process in the dealership with intense on-site training and a military-like presence until each and every step of the process and all the word tracks were strictly adhered to.

## SALES MANAGER POWER

Most of these sales systems shared one feature: the strength was in the sales manager. The sales manager monitored all showroom activity from a central desk station or tower and was the central figure to the sales process; all salespeople reported to them at key steps throughout the sale, often called "touching desk."

Sales managers tightly coached salespeople throughout the sales process and were heavily involved in providing the salesperson with negotiation and closing strategies referred to as "deskings."

Sales managers also monitored and measured customer traffic counts and closing ratios. Today, these highly defined, management-controlled selling processes are considered by some in our industry as old school and are fading into obscurity.

As the Internet became much more prevalent as a consumer research tool and customers began entering showrooms more educated about their vehicle choice and finance options, many salespeople, managers and dealers became convinced that customers didn't need to be guided through a step-by-step sales process or that they didn't want to be because of their diligent research.

Market research organizations bombarded our industry with study after study that showed customers' disdain for the sales process and negotiations that use the salesperson as a broker between customer and sales manager. As a result, many dealerships have given much more autonomy to the salesperson.

Salespeople loosely follow a prescribed sales process but have very little to do with the sales manager during the selling process. In fact, many salespeople have detailed vehicle printouts and payment scenarios

with software right at their workstations and are permitted to negotiate a final sale price for the vehicle, only using a sales manager to appraise a trade-in.

Salespeople also follow-up and manage their unsold customers and customer base with sophisticated CRM software. Sales managers in many of these dealerships are only remotely involved in coaching and deskings, but are more or less new car department administrators who manage dealer trades, vehicle ordering, deliveries, etc.

## POWERSHIFT

The result of more salesperson independence is to shift power to the salesperson. Today, this approach is considered "new school."

On the surface, this approach seems to be the way the retail industry is heading.

If the customer prefers this approach, which features less back and forth negotiation with the sales manager, then, theoretically, sales and gross should improve, since we're selling the vehicle the way the customer wants to buy it.

Unfortunately, this logic does not

hold true: the more autonomous salespeople are allowed to become, the more likely they are to skip key aspects of the sale, such as the vehicle presentation and demonstration drive.

If salespeople know that the sales manager does not get involved with their customers during the sales process, and does not monitor traffic counts and closing ratios, they are more likely to take the path of least resistance with a customer and not do the complete job.

In many dealerships, customers leave with very detailed and impressive vehicle printouts and payment options, yet have never driven the vehicle of their choice. Admittedly, in these cases people have indicated that they liked the experience, and were impressed by the fact that the salespeople could supply vehicle and payment details, yet they didn't buy the car!

Off-the-shelf sales systems did, and still do, yield impressive and measur-

work a highly productive sales process; that's why they're successful.

When implementing a sales process, top producers should be allowed to work somewhat outside the system or at least be given latitude. They've earned this privilege because of their sales results and CSIs.

## SHOWROOM SENATORS

We refer to these positive and productive salespeople as the showroom's senators. Senators receive senatorial privileges that inexperienced or low-producing salespeople don't, as long as they support the sales process being implemented.

In our experience, if the strong salespeople recognize that there are advantages and opportunities to the sales process being implemented, they often quickly adapt it into their own style and approach.

It would seem that by today's standards, a strongly managed, defined, documented, trained and enforced dealership sales process is going the way of the dodo bird, and is considered old school.

Salespeople having much more independence from management, autonomous throughout the sale and providing detailed take-away information is now considered somewhat new school. We see this trend at dealerships throughout Canada.

To be successful in today's competitive market obviously requires attentiveness to how the customer wants to be sold, but with the clear understanding that what the customer wants is not necessarily yielding maximum sales results. Today more than ever, dealerships require a defined, management driven sales processes with sales managers providing motivation, coaching and well honed closing skills.

Make no mistake about it, there are numerous examples of Canada's most successful dealerships that embrace and constantly fine-tune their highly developed sales process.

So, to answer my own question, I guess I would have to say that I am "real school." Real school means implementing a structured sales process that reflects the culture of the dealership and creates strength, confidence and leadership in the management team.

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able results. They leave salespeople and managers with a clear and unified dealership sales approach and make everyone accountable for results.

Sales managers are apprised of customer traffic counts, presentation and demonstration ratios, closing ratios and get involved in coaching and directing each salesperson-customer interaction on the showroom floor via a highly visible office or tower.

In a highly defined and documented sales process, sales managers not only meet customers on the showroom floor early on in the sales process but also assist salespeople to close sales by meeting customers face to face at the salesperson's workstation.

With skilled trainers, a sales system can be modified to reflect the culture and demographics of the dealership. Contrary to popular belief, most salespeople actually crave structure in the workplace and strong coaching and leadership from management.

For many sales managers and dealers, the challenge to implementing a sales process is appeasing and not alienating the strong producing salespeople they have on the showroom floor. However, what I see is that strong salespeople already have and