



Everyone Loves Consistency: Designing and Implementing Systems and Processes

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Establishing good processes can help you manage your shop and employees better.

I have had the pleasure of spending time with hundreds of the nicest people during the past several years, and yes, I'm talking about shop owners. I have been intimately involved in helping many of them understand, manage and improve their business. Lessons taught and learned have made managing easier, profits greater and changed lives for the better.

This experience has taught me that:

1. A good system or process makes it much easier to determine where problems and opportunities are.
2. Good systems and processes managed well make mediocre employees good and good employees great.
3. The best systems and processes fail without adequate management and invested people.
4. Most problems in business are a result of inadequate management or leadership.

And no matter how good the system or process, if management does not manage - for example, find good people, create a positive vision of the future, create appropriate systems and processes, properly train and measure performance, and hold employees accountable for results - the best business will fail.

Every business has systems and processes in place that create the end result or product. In independent automotive service businesses these systems:

- Are usually informal
- Are infrequently documented, measured or managed
- Are sometimes inadequate
- Rarely achieve the best results

The fact that many shops are not getting the results they desire is a clear indication that their systems and processes are inadequate and is almost always an indicator that their people are not invested or motivated.



Depending on which study or survey you read, in the typical service shop, net profit hovers around 3 percent with productivity between 67 percent and 72 percent. Meaning, a \$1 million shop nets around \$30K (plus a mediocre wage for the owner) and the average technician gives approximately 5.6 hours of work for 8 hours of pay.

These statistics directly relate to the lack of systems and processes in most businesses. Many owners and managers do not understand that the inefficiencies in their systems and processes lead to the dissatisfaction of their employees, the loss of motivation and productivity and the inefficient use of their most valuable assets (people and time).

To compound the problem, management's focus has often been in the wrong areas, increasing car count and decreasing fixed expenses instead of increasing margins by managing labor costs and maximizing every job. Focusing in the wrong areas usually causes a downward spiral for the business, further reducing profits and making managing more difficult.

People are often devalued in the frenzy to keep expenses under control and productivity up through car count, further reducing morale and output. Problems are easily passed to the shoulders of the employees with statements like, "I can't find any good people," "They won't do what I tell them," or "My people just won't do that." Blaming problems on the "staff" may make owners/managers feel better but it also makes finding and fixing those problems virtually impossible.

In reality, accountability rests on the shoulders of management. It is management's job to achieve results. It is management's job to manage the largest asset and greatest expense of the business - its people - to achieve desired results.

No business can earn its best profits without managing people, and people cannot be managed without well-thought-out and well-documented systems and processes.

The fact is today's shop is extremely complex, and there are many variables that reduce productivity and profitability. Juggling the various aspects of business has become extremely challenging.

Take, for example, a technician who must not only have work suitable to his skill set, but it must be the right amount of work at the right time. That technician must have the proper knowledge, equipment and information to come to the right conclusion quickly. And he must have the right authorization and parts needed to do his job. Appropriate working space must be available and interruptions must be kept to a minimum. Bringing all of these variables together is not easy under the best of circumstances.

Systems and processes increase the chances of managing this complex dance and delivering consistent and positive results for the owner, technician and customer. Systems that are well thought out, clearly defined, documented and understood get the best results.

Systems and processes needed for an automotive service business include but are not limited to:

- Marketing for customers
- Marketing for potential employees
- Interviewing and hiring potential employees
- Paying employees
- Training employees
- Tracking employee time, productivity and efficiency
- Employee performance reviews and regular feedback
- Answering phones
- Taking messages
- Dealing with pricing questions
- Making appointments
- Scheduling
- Questioning customers when they drop off their cars
- Writing work orders
- Dispatching
- Preparation to begin work
- Vehicle inspections and reporting results
- Vehicle diagnostics and reporting results
- Estimating
- Parts pricing
- Parts ordering, tracking and returns
- Selling
- Documenting work performed
- Documenting work not performed but recommended
- Customer contact at vehicle pickup
- Customer follow-up
- Follow-up marketing
- Systems and process measurement (QA)
- Performance feedback and adjustment

Creating and documenting systems and process allows management to:

- Inexpensively and effectively train employees
- Measure, motivate and manage
- Create consistent and positive results
- Build trust with employees and customers
- Always do the right thing

Employees are happier because they know exactly what is expected of them and when they are winning. Owners are happier because measuring and managing employees is easier, problems are easier to spot and fix, and profits become more consistent. Customers are happier because surprises and disappointments are less likely, and their vehicle is done right the first time, and on time, more often.

Creating and documenting systems is easy once you know how.

To document a system or process write down:

- The purpose of the system
- Items needed to complete the job
- Actions that need to be performed in their logical order
- Include examples where possible
- KEEP IT SIMPLE
- Adjust as necessary

Make sure that you can follow the steps yourself, then teach it to the staff and see if you get the results you want. If your results are inadequate, adjust the system.

Steps for teaching are:

- Have them review the documentation
- Explain to them how
- Show them how
- Have them explain to you how
- Have them show you how

In conclusion, businesses that have clear written systems are more likely to have higher profits, and happier owners, employees and customers.

For a free written example of how to write systems and processes, send an e-mail to cbullard@automof.com (write "Free systems document" in the subject line).



Cecil Bullard is a third-generation technician and owner. He is a well-known teacher, mentor and coach, currently helping automotive service businesses across the United States and Canada. He is an approved Automotive Management Institute (AMI) instructor and has earned his Accredited Automotive Manager (AAM) designation. Bullard has run some of the most successful independent shops in the United States, including Larry's AutoWorks, which was ranked among the top 10 shops by Motor Age magazine for three years in a row. To contact Bullard, e-mail him at cbullard@Automof.com.