

Managing Results by the Numbers

By Cecil Bullard 10/8/2007

Asking the right questions of prospective customers can help create new business for your shop.

You have finally broken away from the shop and have a moment to consider the fact that the business just isn't getting the results you want. Your business has taken over your life, and many days you just don't enjoy what you do.



What got you started in thinking about your business may have been a management seminar. You might have also noticed that the Profit and Loss statement has a lot more L on it and a lot less P. As you're weighed down from the stress, you think about the bills you have to pay, and suddenly your dreams of retiring with wealth and dignity are as fleeting as your profits. Even though you're working hard, you may not be getting the kind of rewards you believe you deserve.

If this scenario sounds familiar to you, your business is probably managing you and has most likely taken control of your life. Don't feel alone! Many business owners have had this feeling at one time or another. Often, the feeling has paralyzed them to the point that it has kept them from making the changes necessary for success.

Small or nonexistent profits, long hours, frustration and no family life don't have to be your norm. You can take charge, get the results you want, earn a fair profit and have a life without losing customers or staff if you manage your business and employees by the numbers.

Management by the numbers is not some new or radical way of managing people and results. Managing people based on their performance (the numbers) has been around for many years, and it has been used successfully by some of the largest and most successful companies.

Management by the numbers starts with the numbers. You need to know where you are going and what it is that you want (the business plan). This is difficult for many owners. They either don't have or make the time to determine what it is that they really want. Maybe it's because they don't know how to create a plan. Or maybe they're afraid that if they set goals and don't hit them, they will be a failure. A large part of success is failure. You cannot succeed without having a few failures. If you are not failing occasionally, you haven't set your goals high enough. You should set goals for yourself and your business that stretch you and make you work hard. Doing the same things over and over again and expecting different results is a clear definition of insanity. It can be uncomfortable to learn and try new things but it is infinitely rewarding.

Having clearly defined goals and targets also help you determine where things are not working and where you need to invest your time and talents to gain the best results. Having clear evidence that an employee is failing is not a bad thing unless you ignore it. It gives you the opportunity to help the employee succeed. Finding out which obstacles your employees face and helping them overcome them is one of the primary jobs of management.



Once you have set goals, you need to have clearly defined rewards for meeting those goals or the appropriate consequences for failure. The closer you can get to the reward or consequence, the better chance you have of modifying the behavior and achieving the results you want.

There must always be a "what's in it for me" (WIIFM) for the employee and the owner. High-performing employees work hard for rewards and become frustrated if there are no consequences for those who fail to help the team succeed.

Managing by the numbers allows you to pay performing employees more because it removes inefficiencies, and you pay less to employees when they don't perform. Once you know what it is that you want and what the rewards are, you need to be able to clearly describe it to others. You need to be able to share your vision with your employees. Your staff needs to see a clear picture of the future and what they are working toward. (Show them how they can benefit from achieving the desired results.)

The story must be compelling enough to bring about correct behaviors. A clear and strong picture with the appropriate reasons or rewards will gain buy-in. The goals of the company become the goals of the employee. This does not guarantee success but it ups the odds considerably.

You must have a way to measure performance and compare it to the goal. High performing employees love to have goals and measure their performance. You need to make ways for your employees to win the game. High-performing employees also love to be winners, and they love to be on a winning team. Having goals and targets allows employees to win the game. Not having goals and targets leaves employees wondering if they are succeeding or if they can succeed. Not having goals and targets creates two different kinds of employees.

Dissatisfied employees will find every reason to go and work somewhere else where they can win. And then there are the employees who are going with the flow and never winning the game. Neither of these results is good for the company, the employee, or the customer.

You need to praise performing employees publicly and constantly. Everyone loves to be appreciated and noticed. High-performing employees are no different; they love to know that you appreciate what they do for you. This is difficult for many business owners. However, regardless of how you were taught or your past experience, you need to get good at patting your staff on the back and making them feel part of a winning team.

You must have consistent and constant feedback. This lets the employee and you know where they stand and where behaviors need to be further modified. It also helps you and the team determine if changes are needed. Just because the goal was appropriate yesterday doesn't mean it is a good fit for today. Goals should be difficult to change but shouldn't be set in stone.

You must find ways of celebrating victory before you reach for the next star. High performing employees need new challenges but also want to savor the win. This is an area I find difficult. Before the dust has settled on the race we just won, I am already running in the next race. High-performing employees need to know that what they have accomplished is a true win. Moving forward too quickly before savoring victory can be disheartening and negatively affect morale. Remember to stop and smell the roses.

You must reach for the next star. High-performing employees need to have constant challenges. They need to constantly test themselves to keep the game interesting. If you can keep it interesting and challenging for them and give them appropriate rewards along the way, they will consistently hit their targets.



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