

YOUR SHOP'S **SECRET** "PROFIT POTENTIAL"

You've got lifts, scopes, diagnostic machines, air wrenches, and the ever growing assortment of "tools" for everything you can imagine. You've invested a LOT of your hard earned cash towards providing your shop with the latest and greatest equipment so you can get those jobs done faster and *easier!*

For those of you who have arrived in the 21st century, you are sure then to have and use an automated Repair Order writing system or what we call today, a Shop Management System. And like it or not, this "system" is the most VALUABLE tool in your shop, AND the one that gets used the MOST! Once you've had "any" of these systems in place, you would NEVER go back to "hand writing" those RO's!

That said, while the majority of you do indeed enter all your RO's into your systems, not many of you really utilize the **profit making potential** of the systems you have!

Given the busy day to day life of the service writer, the computer system focus becomes one of writing RO's, ordering parts, looking up labor times, scheduling appointments, customer vehicle history access, and administrative shop tasks. And while all this is much needed to make the running of the shop more efficient, it falls far short of what we like to call "**profit potential**".

This term "**profit potential**" here, means the money you **COULD BE EARNING** that you aren't, because you either have never thought about it, or are too busy focusing on other shop problems.

One thing we know is true for *any* shop, is that you need CUSTOMERS COMING IN THE DOOR. Another is that you need to KEEP those customers coming BACK regularly. You also need a service writer who knows how to sell the customers everything they need - and that is a subject that could indeed require a lengthy article by itself!

How many of you are utilizing your systems for keeping those customers coming back OR as a sales tool to help increase your bottom line? Some of you are for sure and good for you! Let's face it, without customers and sales you would have to close the doors.

Next, let's talk about that "bottom line". We run into the following all the time. We ask a shop owner, "About how many RO's do you write in a week, or do you know what your average RO ticket price is, or do you track your profit margins on each job, or. . . ?" All too often, we get "I don't have any idea". Not good! Your shop is unique in that your "operating" costs will never be the same as John Doe down the street from you. You have rent or mortgage, utilities, payroll,

inventory, shop supplies, office supplies, credit cards, fluids, cleaning materials, advertising, phone and internet, uniforms, and the dreaded taxes. In other words, you have *your* “cost” of doing business or keeping the doors open.

Now you have to have enough income to cover those costs of course, AND if you don't have enough “*profit*” left to buy that new hoist, or pay off that personal loan you gave to your business, AND put some away for the future, then you will continue to “limp along” barely making ends meet. But all too often we hear that your pricing is based on what others in your area are charging and NOT based at all on your actual needs. Yikes!

In addition, if you are not using your computer system as a sales tool (which is *another* article all by itself), then you are saying goodbye to a **TON of income!**

So you better get busy with that computer system and based on all the above, figure out how you are going to become profitable. Any good system will provide you the tools to do just that! And if you don't know “how”, then contact your system's provider and find out!

To steal a line from the late great industry guru, Mike Lee, “it's only money, YOURS!”

Barbara Lee

BIO info

Barbara Lee is the widow of the late well known industry speaker Mike Lee. She worked alongside Mike for a transmission repair chain in southern California, where she not only did “the books” for 4 stores, but participated in all facets of the shop from selling service to helping write their radio advertising. In 1981, she wrote the majority of a publication aimed at providing a business manual for shop owners. Later, she helped develop a shop management software system, the 1st of it's kind in the automotive industry. In 1994, Barbara took over the day to day running of Management Feedback Systems, Inc., the company which bases it's software on customer “feedback” and the “service writers” point of view. In the last 2 years since Mike's passing, she has released a complete upgrade of the newly named *EasyRO* shop management software, including new partnership integrations. With over 30 years of industry experience in shop operations, computer systems and management techniques, she has remained dedicated to providing knowledge and systems to shop owners who are, as she states “hard working, honest, poorly rewarded, and deserve a break”.