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F&I and Showroom

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6 Ways to Hire for Success

Hiring to get the body count up can be a recipe for disaster. Personnel expert explains why dealers and managers need to hire character first and credentials second.

BY SCOTT BERGERON

As a dealer or manager working in today's market, you have more work to do and trends to follow than ever before. Your sales team and their performance are critical to your continued success. The goal of this article is to help dealers make smart hiring decisions to reduce turnover and costs associated with rehiring and retraining.

As any NFL team owner knows all too well, a high number in the draft does not guarantee a Super Bowl win. Football history is filled with draft busts. Most dealers aim to hire "first-rounders" with strong credentials, but few look at the big picture. While a top performer at one dealership is a good indicator of future production, the costs for hiring the wrong person — experienced or not — can cost you more money than if you'd never hired them in the first place.

CHARACTER FIRST, CREDENTIALS SECOND

I've had the great opportunity in my ca-

reer to observe the way different dealers make hiring decisions. Many have been the victim of their own knee-jerk reactions. You know the kind: They find a stray customer on a Saturday and end up hiring him or her just to "get the body count up." Hiring for the sake of math is part of the recipe, but it's not the main ingredient.

"Body count" sales reps tend to fall into two categories: green peas with zero to 90 days' experience and veterans who have plenty of credentials but not the right character. Either way, your work is cut out for you. You have to get your new teammates acclimated to your culture and your systems.

The main thing to consider is how each new hire will work with your customers. The selling process has evolved from one targeted to a less-educated buyer to a system built around today's better-educated and Internet-savvy buyer. More than 80% of all consumers research their purchases online, so

they've got more ammunition about pricing, trades, rates, and payments. Is your top performer used to working with this type of customer?

Salespeople — particularly those who are younger and less experienced — often get mowed over by these customers. They become order takers, and paperwork and delivery specialists, and they might start to think they need a fresh start at another store. According to the National Automobile Dealers Association (NADA), the annual turnover rate in the average dealership is close to 100%.

In addition to being incredibly time-consuming, constant hiring and rehiring destroys teams, mucks up morale, ruins efficiency and hurts your dealership's reputation. In short, a dealership should function like a well-oiled machine. With a revolving door in the showroom, the engine will barely turn over.

To get out of this vicious cycle, deal-



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ers and managers must be prepared to coach, train, and consistently mentor salespeople. To best accomplish this, hire for character instead of credentials. If you're in a growth pattern right now and you need to hire, here are a few items to stay aware of and a few red flags to steer clear of.

1. GET CLEAR ON YOUR VISION AND THEIRS

Dealers and managers have to communicate comprehensively. Write out a detailed job description for the exact job you are hiring for, then lay out the commission structure and describe exactly how it works. Set parameters, keep the rules of engagement very clear and never overpromise.

Remember to ask what each candidate is ultimately seeking. Do they want to work for you long term? Do they want to stay in sales or graduate to F&I? Employees who are on a path to realize set goals are more likely to stick around.

2. MAKE HIRING AN 'ALL-IN' EXPERIENCE

Consider having every sales and finance manager interview the same applicant separately. If everyone has a chance to meet each applicant, you are more likely to get a full picture of who the candidate really is and what he or she really wants. Weigh all the key factors — experience, intelligence, and attitude — and compare notes.

If you don't get a thumbs-up from both departments, don't hire. Multiple interviews are the best way to weed out salespeople who are blowing smoke or trying to work both ends against the middle.

3. CAREFULLY DEFINE THE JOB

Hire the right person for the right job. A talented used-car salesperson may not fit in the new-car department. Some F&I managers can't handle special finance; others excel in it. Whatever you do, don't try to fit a square peg into a round hole.

4. TRAIN FOR CONSISTENCY

Remember that your dealership training should include equal parts product knowledge and sales process. Focusing on both is critical to ensuring a consistent customer experience. No matter



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which salesperson your customers talk to, they should get the same answer.

5. DON'T PLAY GAMES WITH THE PAY PLAN

You say you're "adjusting" the pay plan. Your salespeople call it for what it is: "playing around." If your team feels you are looking out for them, and not just jerking them around, they'll reward you with loyalty and production. If you change plans on the fly because "they're making too much money," you will drive them away.

There are many ways to help your bottom line, but altering pay plans, in my opinion, isn't one of them. Loyalty will suffer, turnover will increase, and, ultimately, the gains made by squeezing your sales pros will pale in comparison to the brain damage you cause and the cost of rehiring and retraining.

6. UNDERSTAND THE MINDSET OF INDIVIDUAL SALES REPS

While Baby Boomers may be looking for big bucks, many Millennials will gravitate toward a pleasurable and flexible work environment. Younger workers tend to value time off so they can balance their lives with other pursuits. In other words, they're far less likely to go great guns for a spiff.

Tuning into these realities, in addition to individual likes and dislikes, can help focus interviews and offers in a meaningful way. Better yet, you will be more likely to hire people who will drive the dealership forward for years to come. ■

ABOUT THE AUTHOR

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