



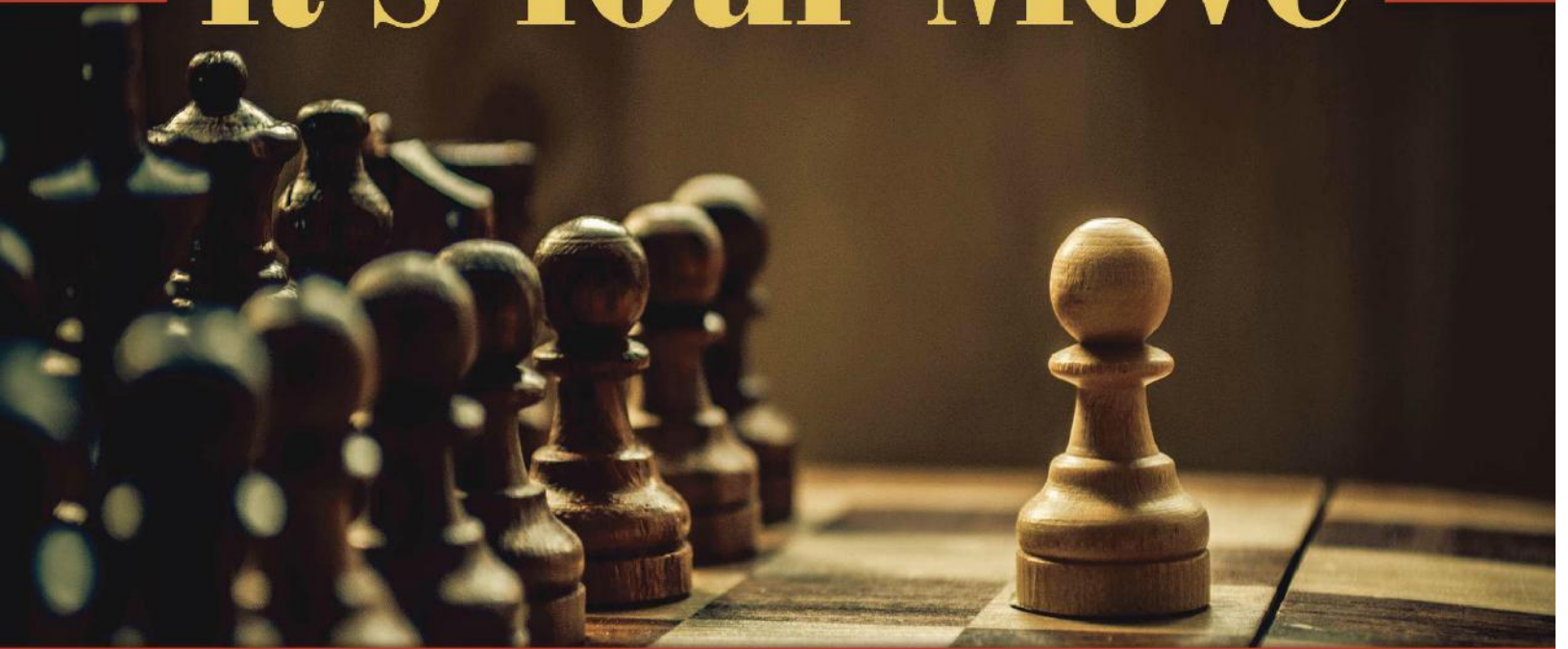
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COMPETING FOR MARKET SHARE:

**How Independent Used Car Dealers Can Regain
Lost Ground From Increased Competition**

Should You Wish Upon a Star?

High-Maintenance Salespeople Aren't Always the 'Star' Performers They're Cracked Up to Be



BY SCOTT BERGERON

Former dealer executive Scott Bergeron is founder and principal of Daily Gameplan (www.dailygameplan.com), a national provider of sales team productivity solutions. He can be reached at (303) 910-3169 or scott@dailygameplan.com.



Too often, dealers think they have to deal with a high-maintenance employee just because he or she can produce.

The reality is most successful dealerships aren't successful because of high-maintenance talent — rather, in spite of it.

Hiring potentially high-performing high-maintenance talent is not always preferable to taking the time to cultivate salespeople with impeccable ethics and strong character.

In some cases, that ethical, character-laden sales specialist might not even come from the sales ranks. That's why it's important to keep an open mind about everyone working in your dealership, from the service department to the administrative staff.

You don't always know where that potential star might be, so keep your eyes open, your ear to the ground and your instincts attuned.

The High Price of High-Maintenance Talent

For years, dealers have tried to figure out the best and fastest ways to increase sales. For some, it's increasing the advertising budget. For others, it might be building a better location.

Some dealers have adopted the practice of hiring talent away from other dealerships. That tactic has two near-term benefits: getting a veteran who doesn't need to be trained, while at the same time infuriating the competitor who got "raided."

It's really a win-win situation that can't fail, right?

Well, if it's such a great idea, why doesn't it work consistently?

COLT HOOD BY PAGE 40

In many cases, it does work at the outset. While the high-maintenance employee is getting up to speed on new procedures and protocols, he or she will generally be preoccupied and less likely to be overly disruptive or alienate colleagues.

But the problem often rears its head after the shine has worn off for both parties. The qualities that initially made that person acceptable — even attractive — to others in the dealership can begin to grate and irritate.

For example, the passion that can make someone a motivated and compelling new hire when channeled in a positive way can become a double-edged sword.

One manifestation of that is showing impatience toward other employees who don't act or react quickly enough providing support services for the new "star." That passion also can present itself as inability or unwillingness to take advice or direction from others once the new hire becomes a bit more established.

That can often manifest itself in a "my way or the highway" attitude with co-workers — and in some cases can even extend to a prospective customer.

Then, of course, there's the loyalty factor, or lack thereof. Everyone knows the story of a cheating spouse who gets a divorce to be with someone new. What in the world makes that new person think he or she won't be the one cheated on down the road?

In the auto world, high-maintenance talent often follows the same path. The fact that he will leave someone else for more money, benefits, opportunity — the "right deal" — at your dealership should raise the concern you might be next to get raided.

For that reason alone, check out the "bright star's" previous employment record to see if any disconcerting patterns exist.

If you see a grass-is-greener pattern, you might want to rethink recruiting or hiring that individual.

High-Maintenance Characteristics and Behaviors

We all might have different opinions of what constitutes high-maintenance salespeople. In my world, it boils down to three major defining characteristics and behaviors.

First, they need to be out of the box all the time. Except for getting up to speed on being hired, they're pushing the boundaries through virtually every state of the sales process. They rarely, if ever, follow the dealership's prescribed sales steps because they don't think they need to play by anyone else's rules.

Second, they overpromise and underdeliver. It's all too common for them to promise prospect floor mats or some other extra without telling the sales manager. Then they expect the sales manager to fulfill their commitment, even at the expense of the deal.

Third, they only rely on their talent, on the presumption they can sell anyone — new or repeat. They might talk the talk about repeat and referral customers, but they rarely follow up with customers on any kind of consistent basis.

They're arrogant enough to believe they can sell that

new customer coming through the door, so there's not a lot of impetus to reach out to potentially lucrative repeat customers.

Lessons From Joe

Last month, I did what we all have to do every now and then — be a third baseman for our family members. Having spent much of my adult life in auto sales, I have empathy for salespeople and all the behind-the-scenes work that goes into each sale.

Both of my sons, Jake, 27, and Nathan, 28, bought new (to them anyway) used vehicles. Both cars are super nice, are in great shape, and were great deals. But only one of my sons walked away happy.

About a month ago, Nathan decided that since the lease was coming due on his Jetta and he wanted a BMW X3, it was time to do some research and shopping. He was searching like crazy online, and found two dealers that had nice 2011 models with low mileage. He decided on the second one, which he had not driven yet. It seemed like, and probably was, a better deal.

The only problem was that the seller's process harkened back to somewhere between 1970 and 1990 — old school to the hilt.



Nathan already knew the price. He already had fallen in love with the car. His finance person soured the experience just by playing a traditional "shell game." He ultimately bought a warranty, and got the car at the right price, but didn't realize he had his term stretched by three months.

All that with a top credit rating and \$12,000 down that he could adjust to keep his payment where he wanted.

Nathan really felt cheated because he wanted to stay at 60 months, and the finance person remained vague about the rate even though he was selling a warranty, and Nathan had already locked down his own rate. He would have been happier with a firm financed amount and payment so he could adjust his payment with more down payment.

The point is, Nathan won't return to the dealership because he didn't feel like he was dealt with squarely. Perception is reality.

The experience Jake went through was the total opposite. Because the dealership was focused so much on a positive experience, it shined through.

Jake was looking at a used MINI Clubman, and the dealership where he found the vehicle had maintained at least a 30-year stellar reputation in our marketplace. For

the past two decades, practically every message it had on the radio focused on a one-price philosophy, and the process worked — without hiring outside talent.

At the dealership, the salesperson, Joe, knew exactly what he was doing. The funny thing was, he had never sold cars before, but had worked in a detail shop.

Joe was kind, ethical, and was able to speak intelligently. He gave Jake a proper walkaround, even to the point of noting any paint touch-ups. This guy was a detail freak, and I respected him for it.

He took Jake on a great demo and explained what the process would be all the way through. When he ultimately closed Jake on the deal, he actually did all the finance paperwork and sold — and sold well — every product usually sold in finance.

He was a one-stop shop, and it was the first time I had ever witnessed it. I quickly became Joe's biggest fan. I even told him to keep an eye out for a particular vehicle I'm seeking.

The point is, even a salesperson with no experience can sell, upsell and make the customer the most important priority if he or she cares for the customer and takes the time. But it's up to the dealership to make sure that process and experience happens.

Given that, do you want to hire high-maintenance talent that can come out of the gate fast but will require ongoing prodding and/or poking to stay within a prescribed set of guidelines? Or do you want to consider someone like Joe, who might be around and making you a lot of money long after the high-maintenance "star" has departed?

Hire Ethics and Character Over Talent

The biggest problem with hiring talent is that it forces you to change your processes to accommodate a self-appointed prima donna (or at least tolerate his aberrant behavior).

When that happens, you lose respect from your other salespeople, who have to stick with the processes and protocols you've drilled into them from Day 1.

That disparity, much like a sports team with substantial internal conflicts and jealousies, ultimately will damage performance, leading to lower profits and a blow to your reputation. In this day and age of social media, when reviews populate throughout a variety of search engines, you don't need to take a hit in the court of public opinion.

Your culture and character are important. And they're both being studied ever more intently by a buying public that researches where it wants to do business, often long before ever setting foot in the dealership.

Even one problematic salesperson with an out of control ego can compromise your standing in the marketplace. Multiple bad reviews generated because of the behavior or practices of that one person can divert a prospect from your showroom floor to a competitor's without you ever knowing it.

To achieve great sales figures, look for talent that doesn't undermine anything or anyone, doesn't allow your dealership to lose credibility, and doesn't cost you and your dealership time and money.

One salesperson can make or break you. Don't take chances with talent. 