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## Reducing the impact of Coronavirus on your business

The world has suddenly become a very different place to what it was a month ago. The impact of COVID-19 on business has been profound, and automotive workshops are not immune, although the impact varies significantly between workshops.

At one end of the spectrum workshops were forced to close by government order. But in some parts of southern Australia that have recently received good rainfalls, farmers are gearing up for planting while local auto workshops are getting busier, looking after their equipment.

The impacts on business will vary from town to town, but regardless, every auto business must take steps to minimise the immediate and longer term impact of the pandemic on their business.

Even when the emergency is over, don't expect business to just spring back to normal overnight. The enforced isolation is going to change the way many of us live, work and travel into the future, so the following checklist needs to be taken seriously by all workshops. The main message is 'be prepared'.

### **Communication is now essential**

Over the next few months, workshops need to frequently communicate with their entire database via email, SMS, post, apps and social media. But don't abuse it – people are getting plenty of messages from authorities, banks and everyone else so make sure that your messages are important and informative.

Valid reasons for communicating could be to advise customers that:

- Your workshop is still open for full services and repairs, or restricted services
- Your workshop will re-open on a certain date following the lifting of lockdowns

- Your workshop has adopted new safety guidelines and how that will affect them
- Your workshop is offering a pickup and delivery service.

### **Commit to your safety plan**

Most workshops have now developed a health safety plan based on the now well-known steps to mitigate the spread of the virus.

Workshop managements and staff now must commit to the plan until the virus is eradicated or a vaccine is developed. That could be some time into the future so staff will need to be regularly reminded and encouraged to follow the plan.

### **Open and honest discussion with your team**

Management and staff are sharing the same worries about jobs, money and the future, so regular open and honest discussions will be essential.

Use Covid-19 as an opportunity to recalibrate your team culture. No longer is it just the boss's job to develop ideas. Everyone in the team must be encouraged to develop ideas to keep the business viable.

### **Service reminders**

Vehicle servicing is likely to be regarded as non-essential by more and more people and your service reminders may not get the response they once did.

As an alternative, consider reviewing history and past invoices for those customers whose vehicles are now due for service. You will very quickly be able to determine if there are important safety and reliability items that should be investigated. Classic examples include registrations, WOFs, timing belts, batteries and brakes. Calling these customers to discuss such essentials may get a far better response.

### **Pickup and delivery service**

Providing such a service might be time consuming but it could encourage decisions for the job to go ahead. If you decide to introduce this service, make sure it is repetitively communicated to your customers.

### **After-pay services**

In coming months, workshops will be under pressure to offer credit to customers. This is a recipe for disaster. If someone can't pay today, it is highly unlikely they will be able to pay in a couple of weeks.

The best approach is to offer an after-pay style credit. This way you get paid today (less a percentage commission) and the debt is passed to a finance company.

If you don't already have access to an after-pay service, now might be the time to consider it. Openpay, ZipPay and GoPay all deal with aftermarket workshops.

### **Meet with your accountant**

Both the New Zealand and Australian governments have announced significant packages to help businesses survive. It is imperative that you take full advantage of these.

I strongly recommend you have regular meetings with your accountant to make sure you are getting access to everything to which you are entitled.

### **Review your expenses**

Now is the time to be minimising cash outflows to ensure you have as much cash in reserve as possible.

Review all expenditure and ask yourself if it is imperative or can it be temporarily put on hold? Talk to your suppliers, bank and landlord. Many will be very understanding and offer some form of deferred payment.

### **Don't take on everything**

During quiet times the temptation is to take on everything. The last thing you need is a time-consuming job that starts costing you money.

Discuss this with your staff and ensure you stick to your skill set. Spend extra time researching jobs before you get started.

### **Spend extra time checking all non-service jobs**

As the economy tightens up you may find that a higher proportion of your work will be specific repairs. This is understandable but it doesn't eliminate your responsibility to inform customers of anything else that needs attention.

As more and more customers delay services it is important that you spend an additional ten minutes or so checking common safety and reliability areas. What the customer does with that information is up to them. You, however, have fulfilled your responsibility.

Coronavirus will eventually pass, and life will get back to relative normality. When that does, I expect workshops to get busy. Auto workshops might not be an absolute essential service but they are very close to essential. Repairs or services your customers are putting off today will eventually need to get done.

So stay positive and remember that there is a very bright light at the end of the tunnel.

The place to start is [www.tatbiz.net.au/capricorn](http://www.tatbiz.net.au/capricorn)

*Just go for it*