



CAPRICORN
...it's just easier!™

Other resources in step 5i:

- Upselling checklist

Making the most of the Christmas rush

Most workshops are at their busiest heading into Christmas. Customers seem happy to spend money to ensure that they won't find themselves stranded on the side of a country road with a car full of kids yelling 'are we there yet?'.

The result of this extra work is that many workshops put in long hours and stress levels go through the roof. Unfortunately, this extra work doesn't always result in a fatter bank balance.

A simple example: your workshop normally services six cars a day with an average dollar sale of \$600, generating total revenue of \$3,600 per day. During November and December you have eight cars a day to fix – a 33% increase.

In the rush to get all eight cars fixed, there is usually a corresponding fall in the number of upsells on each service and hence the average dollar sale falls to \$500 per job. Total revenue for the day is now \$4,000 which is only an 11% increase on normal operations. If you've paid your staff overtime, this 11% increase in extra sales is very quickly eaten up.

The final result is that you and your team have worked extra hard and long hours for the same profit.

So how do you stop this happening?

Don't overbook

Every workshop owner knows the ideal number of cars that can be handled. This number will take into account that standards are not going to slip, there is capacity to handle drop-ins, and the work can get done during normal work hours. If you start trying to accommodate everyone and book in more work, there is a very high chance that the scenario shown in the sample above will start playing out. Understand your numbers and don't overbook.

Focus on your upsells

It is well known that customers are more willing to spend money on repairs or maintenance in the lead up to Christmas. This should translate to an increase in your average dollar sale rather than a decrease.

To make sure standards don't slip and that your technicians are not leaving things until next time, try implementing an upsells checklist. Download the checklist at www.tatbiz.net.au/capricorn. Attach it to every service job card and get your technicians to sign off on each item. The checklist has the effect of motivating staff to check everything correctly, and they don't need to rely on their own memories.

Don't get the wrong idea – this is not about making extra money on work which does not need doing. You have a responsibility and a duty of care to ensure that every vehicle which leaves your workshop is safe and capable of running to the next service without failing or faltering.

Charge accordingly

As the year comes to an end customers just want things done and they are less likely to shop around for quotes. This should give you the confidence to avoid undercharging just to win a job. You're not raising prices for the sheer hell of it. It is more about taking a golden opportunity to raise your prices to the **right** level.

The right level is the price you believe the job is worth and the money you deserve for the experience and knowledge you provide. It has nothing whatever to do with the price you think the customer will pay.

Sell your diagnostic inspection in addition to a service

The majority of customers, when dropping off a vehicle for a service, will mention some other issue that's bugging them at the last minute. Their hope is that the service will somehow fix the problem. The natural tendency is to spend time diagnosing the problem for free during the service. Doing a service correctly in the recommended time is hard enough. Doing the service plus checking multiple other things in log book time is impossible.

To ensure you don't erode the profitability of the service you need to sell a diagnostic inspection upfront just as you would if a customer had just driven in off the street with a stand-alone problem.

Limit project/restoration type jobs

November and December is not the time of year to be taking on large project restoration jobs that can be a real drain on your cashflow. Sure, it's hard to turn work away, but in December you can be confident that the void will be filled with easier and more profitable work.

The challenge leading into Christmas is to think about your workload and the profit return from that workload. It is also the time to work smarter and not harder.

The place to start is www.tatbiz.net.au/resources

Just go for it!