

“Winning (not 'Whining') in a Tough Market”

Everyone knows that the car business is cyclical in nature. Every 10-12 years we have a couple of years where the market realigns itself and causes considerable consternation for many dealers. In times like these, dealerships go one of three ways...they thrive, survive or die. Walk into many stores and the first question you usually hear is, "How's business?" It's as if those dealers are looking for validation that they are not the only ones having issues.

What is interesting is that, while many dealers seem to be finding it tough, there are dealers who are outperforming the brand, selling more cars and increasing grosses...all at the expense of their local competitors. In other words, they are using the current malaise as an opportunity to position themselves to dominate their respective markets when the good times return. How are these "winners" making it happen?

Winners recognize that there are only three things that they can control:

- 1) Their attitudes**
- 2) Their Sales Strategy, and**
- 3) Their Sales Proficiency**

Attitudes. There is an old adage that "attitude determines altitude." Winners have a "no excuses" culture in their store. This keeps them from becoming victims of the market and creates the realization that they are accountable for achieving their results. Stephen Covey, author of *Seven Habits of Highly Effective People*, once said that, "Every organization is perfectly aligned to achieve its current results." In other words, we're getting what we're getting, because we're doing what we're doing. When you question results, do you accept excuses or do you ask, "If you couldn't use that excuse, what would you say?" Steve Brown, President of the Fortune Group, identified the "Failure Formula" saying, "People fail in direct proportion to their willingness to accept socially acceptable excuses for failure." What's the attitude in your store?

Strategy. A selling strategy is the operating philosophy that drives how you sell as an organization. A strategy should be an exploitation of the things that make you truly unique. What is your selling strategy? Do your people know what it is? In the absence of a clearly defined and well-executed strategy, your people are forced to react to the strategies of your competitors and the demands of your customers.

In a mature market, such as the auto industry, there are only two sales strategies:

- 1) Lowest cost provider**
- 2) High value differentiation**

Your choice of strategy should be formed with an awareness of the strengths and limitations of each. By definition, there can only be one lowest cost provider in any given market...and the consumers must be able to clearly determine who that is. This strategy requires a conscious decision to drastically reduce margins to acquire business. To offset the reduction in margins, sales volumes must increase dramatically and costs must be slashed mercilessly, or the entity goes out of business. Think about what happened to Sears and K-Mart after the arrival of Wal-Mart.

High value differentiation strategies are those where the business creates a unique value proposition for the consumer. An example of a high value differentiation strategy can be found in the original Saturn sales process model...the non-confrontational, consultative, one price system. Another can be found in the strategy displayed by

many Asian manufacturers who are consistently adding content to their cars, while holding the line on price (giving the customer more for their money).

Finally, one should consider which strategy is going to best resonate with the desires of the consumers. When a prospect decides to purchase a vehicle, do they want the cheapest price regardless of content, quality and treatment, or are they looking to get the most for their money and do business with someone they like and trust?

Proficiency. In a customer driven marketplace, how well you sell is as important as what you sell. Today's customers are better educated, more demanding, less forgiving and in a bigger hurry than ever before. They are more likely to have shopped and are forcing your salespeople to take short cuts at critical junctures in the road to a sale. Do your salespeople have the tools, abilities and awareness necessary to professionally regain control of a selling situation? Do they have the competence and confidence to use them? Are you measuring the right things: how many and how well? Keep in mind that many (most) of your salespeople have never been through a market like this. Unless they have a reality based selling process that addresses dealing with the unique characteristics of today's customer, your sales and profits will decline.

Winning in today's climate requires discipline, focus and execution. Winners look in the mirror, assess their situation and fix the things that are getting in the way of their results. Those dealers that relentlessly focus on perfecting attitude, strategy and proficiency...the things they can control...will dominate their markets now and come out of the current cycle stronger than ever. Thrive, survive or die...which will you choose?