Group 100-300 – Kilgore, TX/Shreveport, LA

Executive Session

FEBRUARY 3-5, 2020

**Best Idea Review from Pittsburg, PA and Cullman, AL**

**Winner**

**Tiered Incentive Plan -** Tiered incentive plan to reward techs for doing more work. Rack gross hours and labor sales to get a % of gross/sales. Calculate flag hours vs clock hours to track increased productivity. Has helped improve employee engagement. **David Hay**

**2nd Place**

**Carfax linked to our shop.** In addition to using Carfax for past info, we paid to sign-up for the automated system, and we are listed as a certified Carfax shop. Carfax sends out reminders to customers based on maintenance, and we are listed as a certified shop. Cost is $99/location. **James Baxter**

**Steve/Aaron**

1. I recently had another Tennessee Tire Dealer telling me he has been in a 3-month IRS audit concerning not properly filing 1099 forms. He said he had to supply records as far back as 1999. Does anyone in the group know:
   1. a. Is 7 years the proper time to retain records? X
   2. What are the criteria of who gets a 1099? X
2. In a single store operation, what is the weekly average most owners spend away from the sales counter, in the back office, working on reviewing financials, processes and growing the business?
3. How do most in the group track adjustment credits from tire vendors? (ATD)
4. Our company does almost no national account business. X

**Matt/Dan**

1. According to my employee handbook we charge the companies employees cost + 10% on parts as well as cost + install on tires.  How we do it is charge FULL retail and then discount the invoice under an employee discount code for tracking purposes.  My problem is a bit different.  We also carry our employees accounts (which has been a decision of ours that will stay), we have no problem doing that.  But for some employees that carry an account longer than 30 days I need to come up with a different policy that’s fair to both the employee and company.  What ideas does the group have?
2. Does anyone have a formula to see where the break on a booking is worth it to?
   * 1. cash flow inventory for a year
     2. have a fluctuation in retail price to accommodate for not booking. E.G. Last year we bought 500 ST trailer units for a total amount of 27,000$.  My current price for the same units would be roughly 3000$ more. It worth it? X
3. During these times it would be foolish (I feel) to pay bills without a description of service.  Our customers expect this for our level of service that we provide.  What are the groups thoughts on an itemized list of expense/s for our meetings?  I.E. room, meals, alcohol, meeting space etc.
4. What % of our advertising campaign should be allocated to digital?  How can we guarantee that the attachments to stories are appropriate? How do people Geofence?
5. For some of the multi store owners, when did you decide to “go direct” with tire companies?  What are the expectations for order frequency?  Where do you get your fill ins? (Cullman)
6. This question may be better suited for Bruce Hawley.  What is the current Canadian trend in tire sales?  Sometimes I get conflicting reports from Modern Tire Dealer magazine in comparison to our unit sales numbers. (Cullman)

**Shane/Kerry Hulin**

1. How will Tesla cars and other battery-operated car impact our future and what part of the market share will they have?
2. Should a lube and tire tech (pay verse output ratio) still be 30% of production? X

**Tripp Evans**

1. What are members doing to prepare for unforeseeable catastrophic events that can affect our businesses?  A black swan is an unpredictable event that is beyond what is normally expected of a situation and has potentially severe consequences.  After the occurrence of a black swan event, people will rationalize the event as having been predictable.   E.G.: 1) Fukushima Accident - With a high sea wall, backup generators and extensive emergency planning, the Fukushima nuclear plant seemed ready for anything. It wasn’t. On March 11, 2011 a massive tsunami struck, resulting in the partial meltdowns of three reactors; 2) 9/11 - Nobody imagined that multiple commercial jet liners could be hijacked and effectively turned into missiles. But in 2011 they were, with catastrophic effect; 3) Steel and aluminum tariffs; 4) The bankruptcy of your supplier; 5) The surprise death of an owner or key employee. X
2. These events have low probability and high impact.  We should discuss possible events that will adversely impact our individual businesses and the industries we serve and brainstorm remedies.

**Joel Stephenson**

1. Does anyone do rim repair on custom or factory wheels?
2. Does anyone trade for like new "pull offs" and if so, how do you handle the accounting? And invoicing to the customer? X

**Bob/Hootie Gipson**

1. Who is doing paperless inspections? If so, which are you using? Pros and cons please. X
2. Is anyone selling products that are unrelated to tire and automotive? If so, what and how profitable? Looking for additional revenue streams. X

**David Hay**

1. What is target rent as a percentage of sales? Is socialized rent a strategy?
2. What is target advertising as a percentage of sales?
3. Can we review “corporate allocation” to confirm that we are calculating correctly?
4. Is anyone a certified hybrid shop? X
5. How are dealers with Discount Tire is their neighborhoods pricing tires and competing against them?

**Joe Rice**

1. Our competition, car dealers mostly, for certified technicians are now offering 40 HRS guaranteed for a flat rate of $28.00-$33.00 per hour. Has anyone been confronted with this? Are you matching the trend?X
2. Is anyone using onboarding software to help in the hiring process?
3. Is anyone using a power floor scrubber in the bays? What model?
4. Will there be training for managers and service writer with the 20 Group organization?

**Cody Dennison**

1. Marketing- I am currently doing a lot of direct mail cheap oil changes and have stores in rural towns. What have you found to be the best traffic driver marketing? Facebook, direct mail, google adds, website, other ... X
2. Tech pay plans and sales staff pay plans- how are you paying your techs and sales staff and what have you found to be most effective? I'm leaning towards a GP$ plan with a base for the sales staff and a hourly plus % of labor for techs. Looking for simple and effective.
3. Inspections- do you track all inspections and $ amount quoted vs sold
4. I am looking for a company that does Facebook advertising and a company that does SEO to make me rank better organically. I was looking at TCS but thought I would reach out first to see if anyone has any experience or recommendations of TCS or any other company that really does a good job at both targeting Facebook adds and SEO for ranking better organically. (Pittsburg)

**Tom/Angie/Brandon**

1. Employee purchases merchandise (we do 10% over cost right now).
2. Employee purchases labor and cannot work on their own car.
3. Employee purchases labor and can work on their own car.
4. Who out there offers pickup and delivery services? If you do, are there any restrictions? Do you charge for this service?

We are wanting to increase our parts GP% and recognize we have done a poor job with recommending additional quick and dirty ultra-high profit items such as air and cabin filers, flushes & belts and bulbs. We are looking into Mighty and Service Champ. Is anyone here using either one? If so, feedback concerning pros, cons & ease of use and availability of parts is appreciated. X

**Darrin /Neill/Sidney**

1. Competition in a small town? 15% tire profit; $20 mount, balance, value stem, disposal; Free road hazard, free tire rotation, free flat repair.   X
2. Do offer free tire rotation with oil change if the customer did not buy tires from you?
3. Check list for mechanical work? Inspection

**Jeff Cheek**

1. Lifetime alignments, does anyone offer?  We are seeing that push from Tire Discounters and feel like we should review offering (Cullman)x
2. Alternatives to Spectrio/10 Foot Wave for waiting room digital menu boards / TV options (Cullman)x

**James Baxter**

1. What are your battery unit/$$ sales? (Cullman)
2. What are your battery margins? (Cullman)
3. Should we track batteries in its own category with DSP? (Cullman)
4. What is the best way to source new employees? (Cullman)
5. Processes for controlling discounts at store level. (Cullman)
6. Best practices for Time Management. My time seems to be stolen from me constantly due to fires that need to be put out. I never seem to be able to complete my To Do list. It grows and grows. Also, what are the best ways the group has found to balance home & business. (Cullman)

**Bob & Hootie Gipson**

1. Has anyone diversified their lineup from tires and service? I.E. key chains, air fresheners, flashlights, or even a drive through car wash. What about non-automotive? If so, what are the advantages and/or disadvantages? (Cullman)
2. Is anyone using text messaging for complete communication with customers? (Cullman)
3. According to Tire Review, in a study done by MPI, the most important factor in last tire purchase was price (40%), followed by brand (33%), and then the actual store (27%). Do you find this to be true and is customer loyalty dead? (Cullman)

**Matt and Ron Lay**

GS’s bonus system structure & reporting, aka David H’s idea, how is it working?

Shop manager, do we need one? Struggles with flow of work if Matt or Justin is not directing traffic.

Training period, “grace period” for new employees, is there a minimum time that an employee is given before you let them go? Is anybody using training material to get new hires “up to speed”, e.g. “Tire Mount & Balancing” training videos from TIA.

1. How do other member employees’ clock “in and out”? Regular or electronic time clock or GoFencing? (Cullman)
2. Does anyone work on UTV’s, excluding oil changes and tires? (Cullman)
3. Does anyone use guidelines for different levels of diagnostic charge? (Cullman)
4. Does anyone separate National Account/transfers/government sales on their P&L? Trying to get a better idea on gross margins on the different categories. Currently, on our P&L, I have retail sales separate from NA/GS/transfer. (Cullman)
5. Trying to come up with a bonus structure that includes increasing total sales and gross margins. Currently sales are flat from last year, car count down, gross margins up a little. Construction out front, we increased labor rate, increase road hazards sales, keeping road hazards in-house (TechNet) and adjusted some tires on the tire matrix. Not a big fan of spiffing all the time but trying to keep sales and margin up. The benchmark for the group is 60%. Taking transfers, GS, national account out of the equation. We are currently maintaining 52-54% and that fluctuates month to month. (Motor jobs, accessories, wheels, etc.). (Cullman)
6. How to get the most out of employees by understanding personality's? (Cullman)

* Time allocations to complete jobs.. i.e oil change and rotate… feel employee is taking too long to complete (1.5hrs) X

**Chris/Jennifer Branham**

Is there a benchmark for benefits for employees? how do you provide for them?  
 I need a tire balancer, looking at the Hunter Smart Weight. Any opinions on what I should do? x  
 Are any of your employees set up on a bonus structure / commission pay, all or just select ones? How do u motivate the ones that are not?  
 Gift card rebates from vendors. How do u report that?

1. How to price tire? (Cullman)
   * 1. Point of sale quotes