

AS SEEN IN

CANADIAN AUTOWORLD

Being nimble is a mindset



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“Dealers can respond very quickly to market changes because they’re small and very nimble retailers,” says NADA’s Chief Economist Steven Szakaly.

That’s mostly true. Yet, in my experience, not every dealership is equally equipped to adjust to market fluctuations. Some simply are better than others.

That capability to adjust to changing market conditions isn’t limited to one province, one size of dealership, or one brand or mix of brands.

Instead, it’s more closely tied to this core business mindset: Good habits are formed in bad times and bad habits are formed in good ones.

What are those good habits that can help dealers succeed?

BUSINESS BALANCE: The best dealerships typically have clear business and financial objectives for the entire organization, down to each store and each department. They are not overly dependent on one department or business unit to carry the load. They constantly measure and monitor their performance so they can shift resources to help achieve both department and dealership goals.

EXPENSE CONTROL: No matter the business climate, dealers should review every expense and investment to determine whether it’s truly necessary and can deliver the expected benefits. For dealerships with constant, rigorous financial discipline, belt-tightening is necessary in bad times, but they often experience less of a pinch than other retailers.

PROCESS DISCIPLINE: The top-performing dealerships set a laser focus on reinforcing good habits and eliminating bad ones throughout their organization. They create standards and compliance measures and have an eye toward continuous improvement. They train their staffs adequately and hold them accountable.

INVEST IN TECHNOLOGY: While the best dealerships keep a tight rein on expenses, they also recognize the importance of investing in systems and technologies that help improve operating efficiency and effectiveness.

They implement seamless technologies so employees can work smarter and more efficiently. They use technologies that support standardized processes and help monitor and enforce compliance. And, they use reporting tools that put critical business metrics at managers’ fingertips in real time so they can spot problems or improvement areas quickly.

All dealers can benefit from these lessons. Start by concentrating on what you can control: your business.

In good times, keep a sharp focus on what’s made you successful. In bad times, it is best to lean on your good habits to keep momentum. As the market changes, you’ll stay nimble, be more profitable and ultimately stay ahead of your competition. **AW**