

Technicians Are Gold: Are You Mining for Yours?



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Results of Insufficient Technical Staff?

Fixed Operations:

- ✓ Parts and Labor Sales suffer
- ✓ More rental car and loaner expense
- ✓ Customer defections
- ✓ CSI suffers



Results of Insufficient Technical Staff?

New Vehicle Sales Department:

- ✓ PDI affected
- ✓ Accessories and upsells affected
- ✓ Sales needs compete with CP and Warranty for limited throughput



Results of Insufficient Technical Staff?

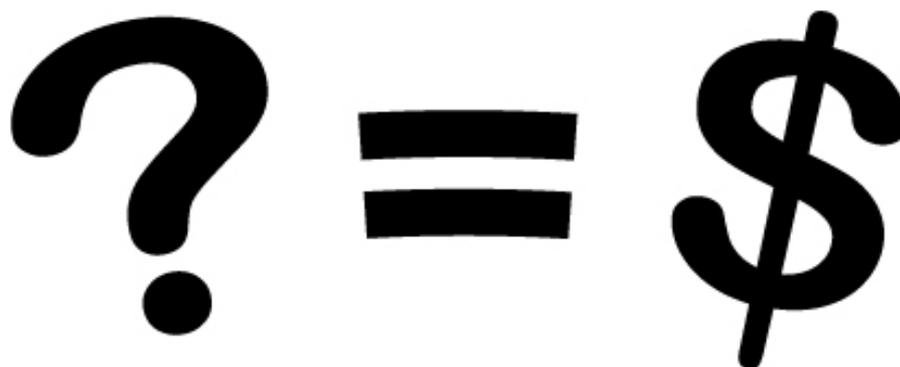
Used Vehicle Sales Department:

- ✓ Reconditioning slows
 - Turnaround time is critical
- ✓ Pre-owned business competes with CP and Warranty sales for limited throughput



How Much is a Good Tech Worth?

- ✓ A good tech is worth his/her weight in gold, or about **\$276,000** in gross profit per year
- ✓ How did we determine that number?



Where Are All the Technicians?

- ✓ National **shortage** of qualified techs
 - Estimated between 25,000-100,000
 - Only going to get worse
- ✓ No vocational technical classes in high schools
- ✓ Negative industry perceptions



Where Are All the Technicians?

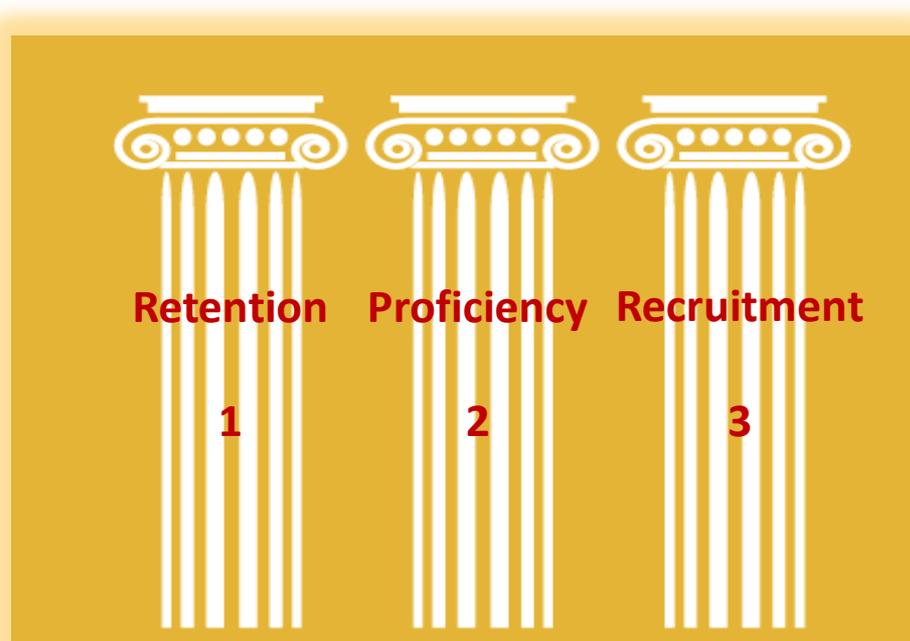
- ✓ Big demand in RV and marine
 - Only going to increase
- ✓ Job market is strengthening overall



So What Do We Do Now?

We must attack this problem on **three levels**:

- ✓ Retention
- ✓ Proficiency
- ✓ Recruitment



Retention

Management techniques:

- ✓ Respect
- ✓ Appreciation
- ✓ Communication
- ✓ Recognition



Retention

Flexible Work Schedules:

- ✓ 4-day work weeks
- ✓ Part-time techs
- ✓ Customized schedules



Retention

Compensation Plans:

- ✓ Average pay
 - All shops: \$39,000
 - Franchise: \$59,000
 - Supply & demand



Proficiency

- ✓ Definitions
 - Productivity
 - Efficiency
- ✓ New standards
- ✓ What will be the impact?



Proficiency

Increase Productivity:

- ✓ Parts delivery
- ✓ Shop assistant
- ✓ Technology
- ✓ Logistics
 - Special tools, computer access
- ✓ Communications



Proficiency

Increase Efficiency:

- ✓ Training
- ✓ Pay plans
- ✓ Teams



Recruitment

Competitors, Pros and Cons:

- ✓ Franchise
- ✓ Independents
- ✓ Mass Merchandisers

COMPETITION

Recruitment

Advertising, Pros and Cons:

✓ Websites

- Monster: www.Monster.com
- Craig's List: www.Craigslist.org
- Auto Care Career: www.AutoCareCareer.com
- Career Builder: www.CareerBuilder.com
- Need Techs.Com: www.NeedTechs.com
- In Deed.Com: www.InDeed.com
- Autojobs.Com: www.AutoJobs.com
- ACT Auto Staffing: www.ACTAutoStaffing.com

Recruitment

Advertising, Pros and Cons:

- ✓ Newspaper
- ✓ Radio / TV
- ✓ Billboard
- ✓ Sandwich board
- ✓ Customer email blast
- ✓ Creative ideas

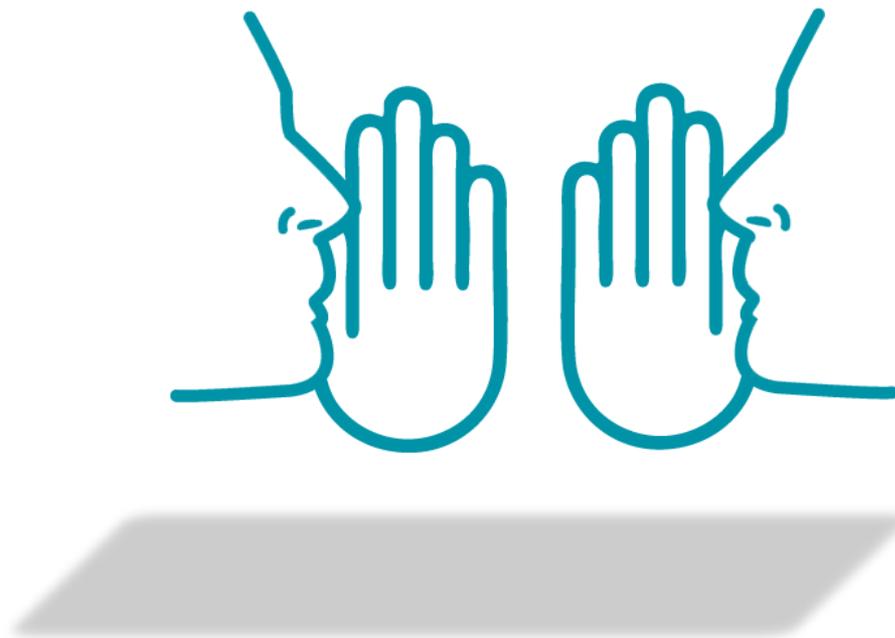


APPLY NOW

Recruitment

Word of Mouth, Pros and Cons:

- ✓ Tool vendors
- ✓ Technical staff
- ✓ Employees



Recruitment

Grow Your Own:

- ✓ Teams
- ✓ Apprenticeship career path
 - Express oil change entry level
- ✓ Mentoring
- ✓ High school vocational tech
- ✓ Manufacturer programs



Last Thoughts

- ✓ Supply and demand requires changes in our business model
- ✓ Future technical needs are changing rapidly
- ✓ Creativity and focus are going to be critical



Questions ?

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