



NATIONAL  
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ASSOCIATION

# Fix the Phone: Phone Process and the Financial Statement



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***Before we begin to review telephone key performance indicators and their impact on your financial statements and market share, please provide the following estimates:***

**Sales:**

- 1) The number of callers that call my business and request a sales representative that are then successfully connected <\_\_\_\_\_ %>
- 2) The number of calls that reach a voicemail and leave a message <\_\_\_\_\_ %>
- 3) The number of callers that reach a voicemail and don't leave a message <\_\_\_\_\_ %>
- 4) The number of connected sales calls that speak with an agent but do not provide their contact information is <\_\_\_\_\_ %>
- 5) The number of Sales Calls that are entered into my CRM as a prospect is <\_\_\_\_\_ %>
- 6) The average number of my Sales Calls that result in an appointment is <\_\_\_\_\_ %>
- 7) The average number of Sales Calls that are appointed and followed up with a confirmation process is <\_\_\_\_\_ %>

**Service:**

- 1) The average number of Service Callers that request a price and then set an appointment is <\_\_\_\_\_ %>
- 2) The average number of calls per day from customers that have a vehicle in service and are calling for a status update is <\_\_\_\_\_ %>
- 3) The average number of callers that request Service and are successfully connected to a Service Agent is <\_\_\_\_\_ %>
- 4) The number of calls that reach a voicemail and leave a message <\_\_\_\_\_ %>
- 5) The number of callers that reach a voicemail and don't leave a message <\_\_\_\_\_ %>

**Post Sale:**

- 1) The average number of callers that call each day with a post-issue (tags, we-owe items, expired registrations, paper work etc.) is \_\_\_\_\_

## *Learning Objectives*

- 1) Upon completion of this workshop, you will effectively be able to:
  - a. Define the measurements that will quickly make a difference in your dealership
  - b. Utilize the tools you already have to impact your profitability, market share, and customer satisfaction
  - c. Have new focus on the true results of the ad dollars you spend and how to *really* spend less to get more
  - d. Leave this session with a new passion around the impact your phone process is having on all of your initiatives in all of your profit centers

*Your customers are telling you what it takes earn and keep their business every day.  
Today you will find new ways to hear them.*



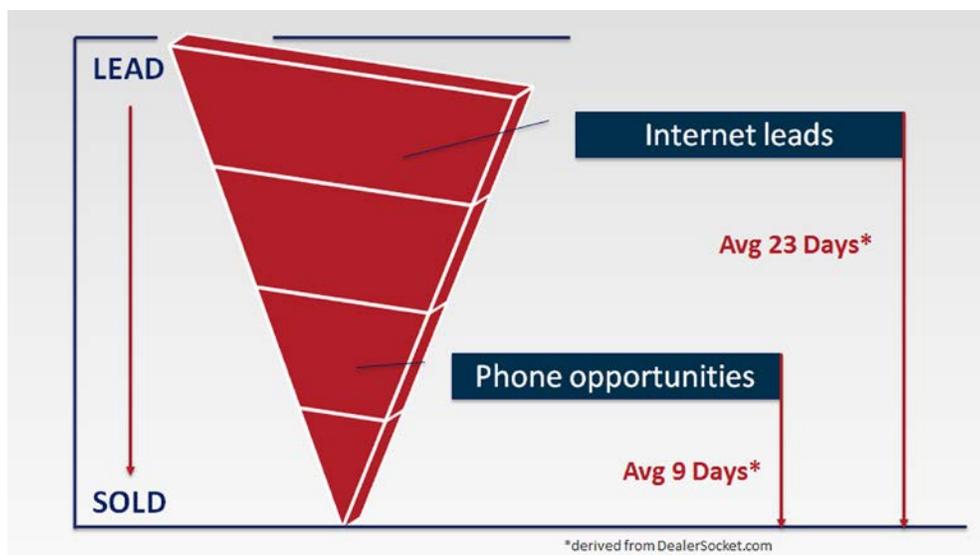
## The Obsession with the Smartphone

- 1) It's more than a phone now, it's our personal information device
- 2) The caller's ability to research, then click-to-call, creates significantly higher expectations on the quality of the call management, and a higher risk of failure
- 3) Your phone is the #1 point of contact in volume and influence on your customer's journey
- 4) 75% of smartphone users say a phone call is the quickest way to get a response from a company
- 5) A growing volume of customers now prefer the ability to text in addition to calling
- 6) As the market evolves, the front runners in delivering the demands of the market will win



### Phone Lead to Sold:

- 1) On average, a caller will buy a vehicle within **23** days of their internet lead, **17** days from the walk-in, and **9** days of the first phone call. The importance of the phone call is more important than ever.



- 2) Customers will call **7** dealerships, but only visit **2**. Make sure your experience puts you as one of the dealerships they go to.

## The Gap Between Principles and Methods

The dealer's principles, and the methods used to deliver those principles, need to be measured. Customers don't always expect perfection, but they do expect you to step up when things go wrong.

### Most Important Aspects of an Excellent Customer Service Experience:

<b>34% getting the issue resolved fast.</b>
<b>29% resolving the problem on first contact, no matter how long it takes</b>
<b>27% a friendly, knowledgeable agent</b>
<b>10% finding the information without help</b>

### Start with your principles and determine if your methods support them:

*If you learn only methods, you'll be tied to your methods. But if you learn principles, you can devise your own methods.*

*-Ralph W Emerson*

Every dealer has a defined sales and service process created to deliver the desired experience every customer wants. However, many times the telephone process is left out of the *methods* in play to deliver that experience.

**When you call your business, or listen to real calls, are you delivering the experience that you have defined?  
Your culture is impacted by the failure to be consistent.**

### Example:

We all agree that when we, ourselves, are a customer of another business, we want to speak to a live person who can help us, or quickly connect us to the person that can.

Yet, in most of the automotive businesses today, we have created a funnel of some sort, designed to economically manage our call volume, using technology we pay for and most often delivering a poor first and continuous experience that is not in support of our *principle*.



**a) Phone Tree and Auto Attendant**

- i) Phone Trees and Auto Attendants rarely deliver what they were chosen to do
  - (1) **Fix?** Have a live person answer from first ring. When possible, ring directly to the profit center elected, or be sure that each is ready to take a live transfer from the control center. The fast-paced mindset the world has evolved to does not want to wait for a phone tree to complete the list. Your customers want to talk to real people on the phone

**b) Staffing at the right time**

- i) More often than not, the dealer's staff is at lunch or dinner when their customers are causing increased call volume to decreased staffing
  - (1) **Fix?** Track your phone calls. See at what time the most call volume is occurring at your store vs. the most missed calls or voicemail's reached
  - (2) Set an alarm on your phone to check out the floor when the most voicemails are reached. See where your team is and hold them accountable. Stagger lunch breaks and prevent all of your team to leave the showroom together

**c) Who is answering your calls?**

- i) Dealers frequently allow a showroom receptionist and a service cashier to also handle incoming calls, causing a train wreck when choosing the call or the customer in front of them
  - (1) **Fix?** Start a BDC department or hire someone to solely answer the phones

**d) Visibility of your team**

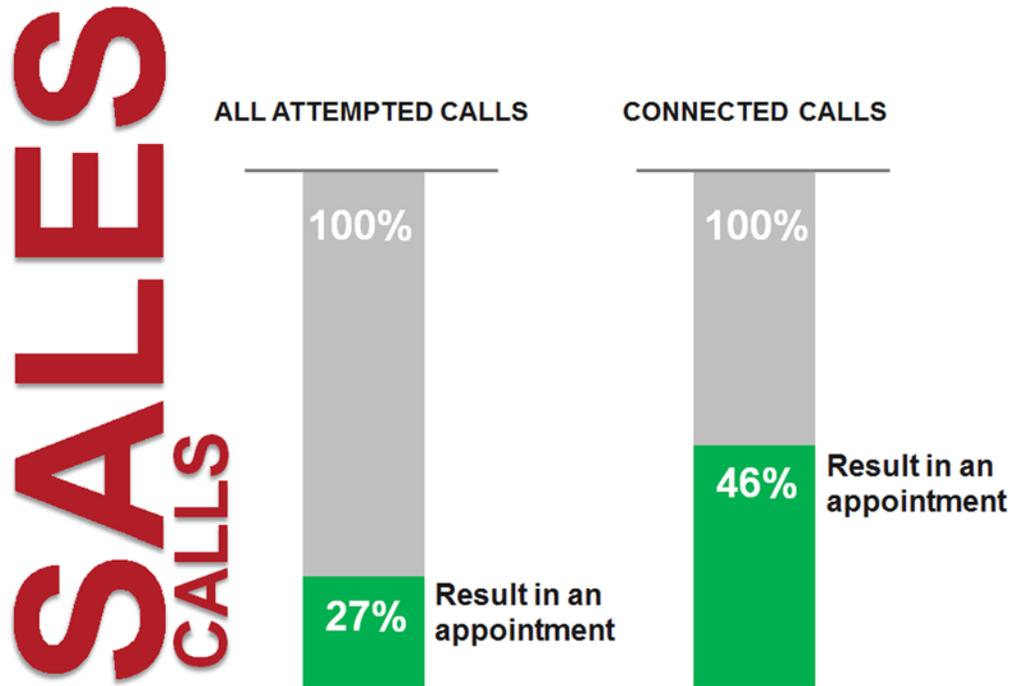
- i) The team that answers service calls rarely has a vision of the service department staff to see whether they are with a customer. Calls are sent to the team when they can see the phone is not in use, causing another choice to be made, and the call almost always loses (as it should)
  - (1) **Fix?** Place a video monitor system in the service room, so the phone answerer can physically see if the service advisor is available

**e) Voicemail warning**

- i) More than half of all calls sent to voicemail result in the caller hanging up, because they were not advised they may get VM
  - (1) **Fix?** Train your people to warn the caller that 'in the case of reaching a VM, press \_ to get back to me and I will be able to find someone available to help you'

## The Sales Phone Call and its Impact on Your Financial Statement

### 2 Million Call Report: A Sample of 2 Million Calls to Dealerships



#### 1) The Sales Call

- Out of 700,485 connected sales calls, 228,994 (32%) did not reach the intended Agent
- Out of the same 700,485 calls, 191,904 (27%) resulted in an appointment
- Just by answering the phone, the appointment set rate increased from **27%** of all connected sales calls to **46%** of connected sales calls that reached the intended party

The easiest way to heighten the connected sales call rate is simple, answer the phone! By answering your phones, your connected sales calls will increase dramatically, resulting in higher appointment set rate.

The national average for marketing expense is \$350 per car sold, and virtually all of that expense is spent to make the phone ring. Answering the phones is key to making the most out of your current routines.

## 2) The Sales Call and Your Advertising Budget

### a) Start: \$1.00

- i) 32% of your connected sales calls are not reaching the intended party

### b) Middle: \$0.67

- i) Of the 67% that do connect to the intended party, 51% didn't receive customer contact information

### c) Finish: \$0.33

**The contact information must be earned, asked, and received:**

We do not want to scare away our customer by pushing for the contact information right away. Make a relationship with the customer on the phone, so they are willing to provide you with this information.



## 3) Don't Blame Your CRM

- a) You are delivering in the area of 30% of the unsold leads in your CRM
- b) On average, 2 in 10 connected sales calls are properly entered into your CRM to manage
- c) CRM integration from your Tracking provider is not enough
- d) With over 60% of calls to website sales lines asking for service, automation is a challenge
- e) Over 50% of the 'average' connected sales calls do not earn and gather the caller's contact information, and only 24% of the "caller ID's" allow re-connect

Changing your connectivity and volume of calls with earned contact will more than double the effectiveness of your lead management.

## It's More Than Just the Sales Call

### The Current Automotive Climate: Fixed Operations may become the new "Front End"

Customers have high expectations for service. If you promise a great experience, and customers experience the contrary, such as not reaching a live agent, impolite employees, poor processes, etc., you will frustrate them.

- 1) **With shrinking margins on new car sales, along with prime interest rate rising, dealers are focused more than ever on the fixed operations revenue. The customer's experience in fixed operations continues to be the key to overall profits; driving repeat service business, as well as keeping a customer in the sales cycle.**
  - a) More and more dealers are saying they sell new cars primarily to feed their service department
  - b) More than half of the dealership's gross profit comes from fixed operations, with only 30% of buyers electing to service where they bought in the first year
  - c) The loss of a service customer due to their experience is a loss of not only 4 RO's per year, but is the basis for defection to competition, including brand defection
  - d) Measuring that experience is more important than ever
    - i) Dealers have always been able to fix the things they measure
  - e) Simple manufacturer's surveys are not enough, and often only get the negative responses

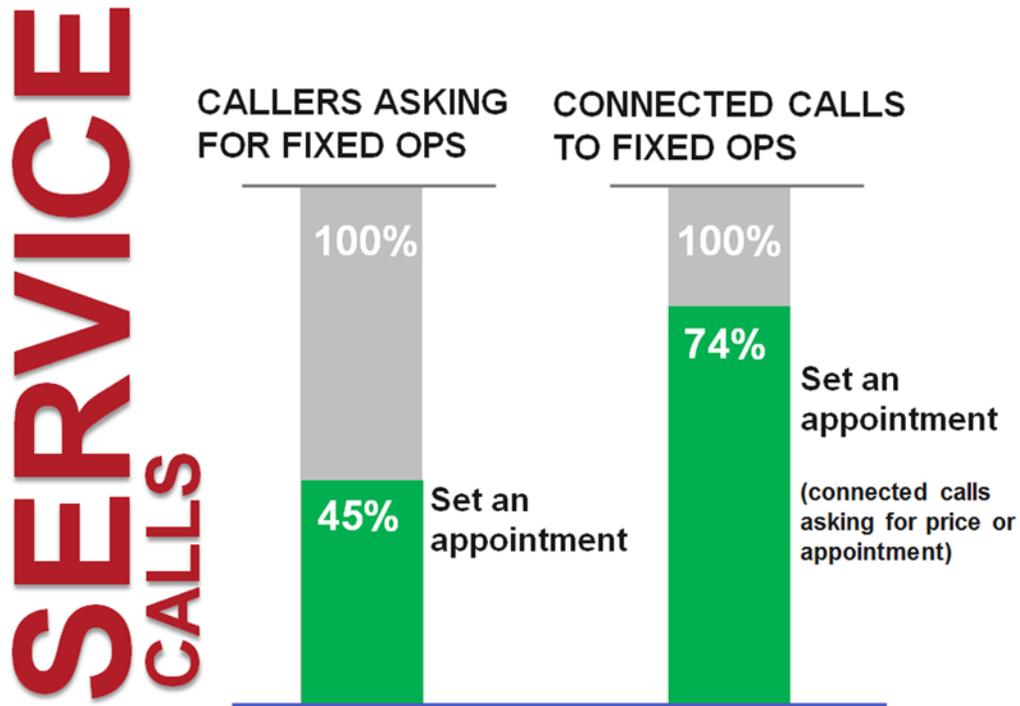


- 2) **The caller's journey in fixed operations has equal impact to the experience at the dealership**
  - a) A retained customer will call fixed operations 20 times for every 1 call to the variable side
  - b) The most common call, the dreaded 'status update' call, has an average of 2 occurring for every service experience
  - c) 23% of all service calls that connected and asked for service, never reach a service rep
  - d) 26% of service callers that ask for a price, do not set the appt.

**The Fixed Operations Call: A Report on 2 Million Calls to Dealerships**

- a. Out of 960,984 connect fixed ops calls, 221,566 (23%) did not reach the intended Agent
- b. Out of 960,984 connect fixed ops calls, 429,232 (45%) resulted in an appointment
- c. Just by answering the phone, the appointment set rate increased from **45%** of all connected service calls to **74%** of connected service calls that reached the intended party

While this number of appointments set is dramatically higher than sales, remember, retained customers will call fixed ops 20 times for a 1 time call to sales. There is a huge opportunity for improvement by again, simply taking the first step and answering the phone.



## Post-Sale/Pre-Survey

### Your Customer's Journey Continues

**Your caller's journey is so much more than a sales and service appointment opportunity. The post-sale call directly influences your retention in both service and sales. Do these calls happen in your dealership?**

- 1) "My tags are expired, and I have left several messages..."
- 2) "My sales person promised me an extra set of keys"
- 3) "My trade-in was never paid off..."

Too often these calls are referred to 'the office' and not visible to sales management.

What was a perfect showroom experience can now turn into a CSI nightmare, and is all too often a *pre-survey* event.

**With critical daily measurement of your service and parts calls, you will be able identify the top three defection triggers**

- 1) When a caller asks for a price, what is in practice to both answer and set the appointment? Over 1 in 5 of these calls on average thank the employee and move on to the next call
- 2) How many callers are calling your team to get the status of their repair after you promised to reach out to them? How many call more than once?
- 3) How many calls to service end up in not connecting to the intended agent? National average is 1 in 4



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