

BEHIND THE CURTAIN:

A Look at the Characteristics of Successful Collision Shop Operators

by Marcy Tieger, J.D.

What are the attributes of the industry's most successful operators? They do not look alike. Their personal stories vary significantly. They may operate one, four or 15 locations. But despite all their many differences, a look behind the curtain reveals they share a number of common characteristics.

Heroes, Heroines and Mentors

Successful operators, even those old enough to be contemplating retirement, often attribute their success to values instilled in them by someone else, frequently a parent. They often praise the lessons of hard work, bravery (willingness to take risks), integrity and honesty.

Continuing the cycle, these same people are strongly committed to developing and advancing their employees, and to acts of "giving back" to the industry and their communities.

Treat the Customer Like Gold

Although it seems trite, successful operators live and breathe customer satisfaction. Even behind the curtain, with their guard down, when they talk about things like enhanced production flow or innovative scheduling, they always circle back to how it



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helps the customer. This is based on a fundamental, ingrained, soul-level belief that if you take care of the customer, everything else will follow.

Passion and Inspiration

Successful operators are passionate about what they do. They keep up on trends in the industry, the economy and business in general. Some use the latest buzz words, others don't. Jargon aside, what they all have in common is zeal in their approach and a willingness to lead with their head *and* their heart. Their ability to communicate on a feeling level, interjecting empathy, compassion, enthusiasm and kindness into their business dealings, fortifies their relationships with employees, customers and business associates.

In general, successful operators are “glass-half-full” people who understand that they must lead in the direction they want people to go. If they stay positive and hopeful, even in difficult times, so will their employees.

The Next Generation

Many of today’s successful operators are the second generation of the family who started the business. However, unlike their parents who expected them to take over the family business, these men and women are careful to communicate to their children that they have a choice. Their considerations are many.

First, they have a bird’s-eye view of the industry that their

relationship is for a parent to encourage the importance of creating one’s own path outside the business.

Share the Wealth

Many owners struggle with pleasing employees who have never run a business or reviewed a financial statement, and don’t always understand the high cost of operating a business. In the multi-shop environment, the reality of one location doing poorly and impacting the bottom line is a risky excuse for not rewarding a well-performing store within the same enterprise.

The most successful operators understand two things when it comes to compensating their people: Employees want

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children do not have. They see a changing industry and a horizon that suggests that change – radical change – and adaptability will be more important than ever over the next 20 years. In short, running a successful collision business is not for the faint of heart.

These same parents, often mindful of the comfortable lifestyle they have provided their children, test the mettle of their kids, often insisting that they go to college after high school, and then work at another shop or even outside the industry before joining the family business. Once the son or daughter joins, they are clear to communicate that there is no “free lunch.” This new employee will work his or her way up like everyone else. They understand that someone who is not fully vested, who joined out of a sense of obligation or because it was the easiest thing to do, may not be a good fit. And sometimes, the best thing for the business and the parent-child

to be treated fairly (in pay and in all other respects) and employees seldom leave jobs for money alone. As such, they are mindful to look at compensation as a bundle of offerings which includes everything from pay to flexible hours to bringing in lunch now and again.

Another overriding theme seems to be respect. The best operators take a genuine interest in their people; they remember small details about their families and encourage advancement and personal development, even if it means they may ultimately lose an employee to another endeavor.

These operators make a point of researching wage data to be sure they are in line. They clearly communicate expectations and frequently tie a portion of compensation to performance. When creating performance-based programs, they strive for transparency and achievability. A system that is too complicated to understand or sets goals that are unattainable will

not stimulate productivity, but it will breed resentment. In the case of say, a shop manager, smart owners “back out” non-controllable costs, like owner compensation and rent, and do not factor those costs into the bottom line from which the manager’s compensation is derived.

Successful operators also understand that it’s a lot easier to share the wealth when not wasting company resources on poor performers. Plus, it’s hard to promote excellence while tolerating mediocrity. As such, after fully coaching and guiding the poor-performing employee, these owners are not afraid to let the employee go. They recognize that more often, doing this sooner rather than later is the best decision for the business and the departing employee.

The Best Policy

Your mother was right—honesty is the best policy. For the successful operators, there are no gray areas when it comes to honesty and doing the right thing.

Owners model this in their personal lives, in their dealings with employees and customers and in their business transactions. They understand that if they go down that slippery slope and lie, or ask an employee to lie, even on a seemingly small matter, it’s over. It is impossible to have a squishy set of mix and match rules about when it’s okay to be dishonest and still foster an environment of integrity. Bottom line: There are no carve-outs on honesty and integrity.

Trusted Advisors

Successful operators know what they don’t know and often have a bullpen of trusted and skilled advisors to help them when necessary. They know that just like the difference between an A tech and a C tech, not all advisors are suitable for all situations. The general accountant may not be the best person to structure a buy out of another business or to build a financial model to assess the potential growth of the business. The general practice lawyer, who ably assists with collections or drafts a will, may not be well suited to review a five-year paint

contract or assess a liability exposure. Smart operators understand that bringing in the wrong people can waste precious time and money, and may result in unnecessary acrimony.

Where outside consultants are concerned, these operators tend to engage consultants to help evaluate an approach that has served them well, but may need updating or refinement. They look to the consultant as an advisor, strategist, confidant, teacher, motivator and taskmaster. And they utilize the consultant to hold up the mirror, recognizing that improvement often involves introspection and a level of personal commitment that must be embraced before change can occur within the organization.

Focus, Plan, Execute

Successful operators focus, plan and execute. They have an idea about where they want to be and take the necessary steps to get there. This is not to say that they don’t have to confront roadblocks, bumps or distractions along the way. To the contrary, these folks feel them like everyone else. The difference seems to be their sense of resolve—they are not paralyzed by change and they deal with it head-on. These leaders spend little time lamenting the way-it-used-to-be or scorning the things they cannot control. When someone “moves their cheese,” they adapt by finding a new path and then forge ahead.

Not too surprisingly, the most successful operators share a common set of personality traits, business practices and general life outlook that would undoubtedly serve them well in any endeavor.



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