



# WILL YOUR DEALERSHIP THRIVE, OR SIMPLY SURVIVE IN 2017?

Running a car dealership has been and always will be challenging; but several workforce trends in 2017 will make it even more challenging for dealers who insist on doing “business as usual.”

An improving economy, changes in organizational structure and customer expectations are at the root of these trends. As always, the ability to embrace and adapt to change will determine whether dealerships will thrive, or simply survive.

There are three trends worth paying attention to:

**Competition for Talent is Heating Up**  
Many dealerships already struggle with high employee turnover rates and, without intervention, it looks like things could get worse. In a recent CareerBuilder survey, 76 percent of full-time workers are either actively looking for a job or open to new opportunities, and 48 percent of employers are unable to fill vacancies.

To attract talent, more companies are focusing on corporate culture and values. And, employees are conducting more research about the companies to which they are applying.

I've written extensively about corporate culture and the importance of core values. It's important that any efforts to define values and create a culture are genuine. Dealership principals and managers must “walk the talk,” and a concerted effort should be made to only hire employees whose values match your dealership's core values.

Benefits are also important to employees. Healthcare benefits and wellness programs are two highly rated benefits on employees' wish lists. To accommodate these desires, in 2016 companies increased their health-related benefits by 58 percent and wellness benefits 45

percent. More companies have in-house gyms or they are offering to pay for gym memberships.

Workplace flexibility is another sought-after benefit. In dealerships, this is difficult, of course — your employees must be there to service customers. However, managers can still be proactive with employees to ensure they are feeling like they have an appropriate work-life balance.

Also, as more people are citing workplace and personal stress among their top concerns, more companies are investing in creating relaxing and healthier environments.

**Focus Is Shifting to Team Performance Rather than Individual Performance**  
Traditionally in dealerships, incentives have always favored star performers. Yet, 93 percent of companies in the U.S. say that “organizational structure redesign” is a top priority. Most businesses are moving towards a team-oriented structure, where team members are given a high degree of empowerment to set their own goals and make their own decisions, versus a manager setting the goals and performance objectives for them.

The Cleveland Clinic is one example of a company that re-structured its staff from silos of medical specialties into cross-functional teams that focus on patient needs. Patient outcomes dramatically improved as a result.

Instead of organizing departments by function, such as sales, F&I and service; dealership staff in the future may be organized into customer,

product or mission-focused teams. So, you may form a cross-functional team to improve the customer experience, or another team to become knowledge experts on your product line, or other teams focused on process change or improving communication within the dealership.

Workforce experts recommend allowing employees to move from team to team, as needed or depending on their skillset. Meanwhile, without the burden of micro-managing employees, managers' and senior leaders' roles shift into planning, strategy, vision, culture and cross-team communication.

In dealerships, team organization will also require management to look at pay plans and how they can best be restructured for an environment where team contribution is valued above individual performance.

**Customer Experience is Still a Top Priority**

This has been the case for years now, but many dealerships still struggle with customer loyalty and retention. Quite simply, giving your customers a great experience can't be faked. As Simon Sinek, author of *Start With Why*, said, “Customers will never love a company until the employees love it first.”

I've written extensively about how to create customer loyalty. You can try loyalty programs, coupons and rewards points — but ultimately the only method that works is to create a company that your employees love. When employees are happy at work, they will automatically take better care of your customers.

What business trends do you see affecting your dealership in 2017? What are your top employee, customer and organizational priorities this year? ○



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