




Auto/Mate[®] AUTO/MATE DEALERSHIP SYSTEMS
by DealerSocket

THE AUTO DEALER'S GUIDE TO

TEAM BUILDING

*How to increase employee motivation,
productivity and communication*





**“ NO MAN IS MORE IMPORTANT THAN THE TEAM.
NO COACH IS MORE IMPORTANT THAN THE
TEAM. THE TEAM, THE TEAM, THE TEAM...IF
WE THINK THAT WAY, ALL OF US, EVERYTHING
THAT YOU DO, YOU TAKE INTO CONSIDERATION
WHAT EFFECT DOES IT HAVE ON MY TEAM? ”**

- Bo Schembechler, *University of Michigan Football Coach 1969-1989*

THE DEFINITION OF “TEAM BUILDING”:

A leadership philosophy that views and treats employees as members of interdependent teams, rather than as individual workers. For leaders, team building is the ability to motivate employees to work with each other to achieve organizational objectives.

So what does this mean for dealerships? It means that there are tremendous opportunities to drive employee retention and productivity by embracing a new approach.

Why Build a Team?

Numerous studies document the benefits of team building.

Members of a team:

- Communicate more effectively and have better relationships
- Motivate each other and hold one another accountable
- Learn to better identify their own and others' strengths and weaknesses, and adjust responsibilities accordingly to maximize productivity
- Report higher levels of employee satisfaction, morale and happiness
- Promote mutual respect and understanding of fellow employees
- Have each other's back
- Work together to achieve organizational objectives
- Prevent rogue employees from doing things their own way

Who's On Your Team?

Before you begin building a team, think about who you want *on* your team. Of course your employees will form the core members of your team. But your employees don't work in a vacuum. They interact with customers, vendors and other people in the community.

Identify all of the stakeholders that influence how you run your business. Whenever possible, hire employees and choose partners to work with that share your team values and fit into your company culture. Team members who don't buy into your culture and values can cause dysfunction.

“Leaders of companies that go from good to great...start by getting the right people on the bus, the wrong people off the bus, and the right people in the right seats.”

- Jim Collins, Author of “Good to Great: Why Some Companies Make the Leap and Others Don't”

This eBook will take you through the 8 steps necessary to help your dealership drive employee retention and productivity through team building.



HOW TO BUILD A TEAM

Many auto dealers face inherent challenges when they try to build teams because of the way their dealerships are managed. Traditionally, dealerships are set up to reward individual performance, rather than reward the efforts of a team.

A change in management practices may be necessary. Follow these steps to create an organizational structure that supports team building.

1 Define Organizational Goals

“If you don’t know where you’re going, you might wind up someplace else.”

- Yogi Berra, Baseball Legend

sales volume in your region? Do you want to be recognized as one of the best places to work in your community?

Create a mission statement and share your vision with your employees. Sharing a vision and purpose creates a team mentality. You need the team’s help to get you to where you want to be. Without the buy-in and combined efforts of your employees, you will go nowhere.

Every human being desires purpose. Every great organization has a mission statement or vision that inspires purpose. Where do you want your dealership to be in five years? Do you want to be #1 in

2 Define Team Goals

In auto dealerships, it makes the most sense to define teams by department. Then define goals for each team. Some dealers may find it difficult to break away from thinking of revenue as their only goal. But revenue goals do not inspire teams.

Instead, create goals that encourage team efforts. Revenue can still be the end goal, but break that down into micro goals. In sales, this could be assigning the entire sales team to achieve certain KPIs. In service, this could be implementing a new technology such as auto dispatch or mobile tablets.

THINGS TO TRY: Team goals for different departments may include:

- **Sales:** Average rating > 4.5 out of 5 stars rating for CSI
- **Service:** Increase declined service returns by 15%
- **F&I:** Increase product sales by 25%
- **Parts:** Implement 99 cent round up. Increase bottom line by 10%

For cues on how a department should operate as a team, look to accounting. In most dealerships, the accounting department already operates as a cohesive team. If one person is out

sick, another steps in to fill their role. Everyone in accounting knows there are certain deadlines every month and everyone does their part to ensure those deadlines are met. Employees are often cross-trained so they can do one another's jobs.

3 Rethink Your Reward System

In most dealerships, salespeople make commission based on units sold. In service, bonuses are based on gross. The problem with pay plans that reward individual performance is that they set up a culture of "What's in it for me?" They motivate your employees to view every customer as someone to be whacked over the head rather than someone who needs to be taken care of.

Many large auto groups are blazing new trails with pay plans that promote a team atmosphere. Commissions and bonuses are based on achieving group goals, such as improving CSI or Net Promoter Scores, or increasing adherence to processes and achieving KPIs. Recognize and reward employees based on how well they contribute to the team, instead of for individual performance.

4 Promote Competition Between Teams

Imagine if, in sports, there were no winners or losers. After every game, every player received the same participation trophy. Why would team members be motivated to work together? There would be no fans because there would be nobody to root for.

In business, friendly competition solidifies team relationships, motivates members to work together and encourages them to root for each other. Competitions can be friendly and don't have to be based on business goals.

THINGS TO TRY: 5 Fun, Competitive Activities

- **Cooking Competitions**
- **Laser Tag**
- **Knockerball**
- **Scavenger Hunts**
- **Escape Rooms**

Auto/Mate has team competitions for charity fundraising goals and for cubicle decorations during the holidays. During our annual sales meeting, we divide our sales team into two or more teams and engage them in fun, competitive activities.

If your culture includes a health and wellness component, have teams compete in local bike races and walk-a-thons.

5 Organize Social Activities Outside of Work

A study conducted by MIT's Human Dynamics Laboratory analyzed

communication behavior among dozens of teams in different industries. It found that the best predictors of productivity were a team's energy and engagement outside of formal meetings.

In fact, the degree to which team members socialized away from their workstations contributed to as much as a 35-percent variance in team performance.

Encourage team members to take coffee breaks or eat lunch together. Organize lunchtime power walks, happy hours and volunteer projects where team members can get to know each other.

Additional ideas include onsite professional development workshops for team members, and sending team members on field trips.

6 Form Cross-Functional Teams

Once you have created a team atmosphere in your dealership, the next step is to form cross-functional teams. These teams include employees from different departments, and their purpose is to accomplish specific organizational goals that are unrelated to department goals.

In auto dealerships, examples of goals for cross-functional teams include:

- Improve customer experience

- Improve employee experience
- Vet new technology solutions
- Create new processes
- Solve process problems
- Interview and hire new employees
- Create a health and wellness program
- Organize and promote community involvement

One of the primary benefits of cross-functional teams is that you get a variety of viewpoints and fresh perspectives. For example, requiring all job candidates to interview with several team members from different departments is a best practice if you want to identify candidates who will fit your culture.

THINGS TO TRY: Cross-Functional Teams for Auto Dealers

Identify your dealership's three biggest problems and form cross-functional teams to solve them. Examples may include:

1. Hiring committee to reduce employee turnover
2. Committee for choosing a new DMS or CRM
3. Committee to improve customer retention rates

At Auto/Mate, we require team consensus on all new hires; if even one team member does not feel comfortable with a candidate, we don't hire that person. And guess what? We rarely make hiring decisions we regret.

Or let's say that you want to develop a new 'We Owe' process. If you leave it up to the sales and F&I team, they may create a process that creates problems for accounting or service. Having a cross-functional team ensures you end up with a solution that everyone can live with.

Another benefit of cross-functional teams is that it gives employees a chance to learn about other departments and processes, and to develop new skills.

7 Train Managers

Team building is a top down activity. It isn't enough for a dealer principal or GM to promote a team building philosophy. Department managers must buy in and offer structure and support; in short, they must be willing team members.

In dealerships, this can present a particular challenge if, for instance, one of your managers was promoted into that position because he or she was a star performer. If your sales director is a former top producer and is naturally self-motivated, he or she may not understand the need for team

building, and therefore, may not support your efforts.

Is there a department in your dealership that suffers from low morale, low productivity, infighting, failure to follow processes and/or rule breaking? If so, that department manager may need to be trained on how to build and manage a team.



Consider sending department managers to a team building program or workshop. Or form a cross-functional team consisting of department managers to foster a team building environment and to share ideas and activities.

8 Measure Your Progress

The purpose of team building in dealerships is to help you get somewhere that you want to go. Using your dealership management system (DMS) reports is one way that you can track and measure progress toward achieving your organizational goals.

Is your goal to become the #1 dealer in sales volume in your region? How many units will that take? Break that down into monthly goals and keep an eye on your “units sold” KPI. Don’t be afraid to set the bar high, but acknowledge that it may take a while to get there.

If a goal is to increase customer pay work in service, use your reports to track total customer pay revenue. Then try drilling down to identify the type of work that produces the most revenue. Using this data, you can create service specials and marketing campaigns designed to bring more customers into your service department.

If your goal is to become a top workplace, enter your dealership into local contests run by business journals, or the annual contest run by Automotive News. Measure your employee retention rate and set a goal to improve it every year.

Conclusion

In the book “Drive: The Surprising Truth About What Motivates Us”, author Daniel Pink identifies the three primary human motivators as Autonomy, Mastery and Purpose. From an

employee’s perspective, being part of a team can go a long way in helping to fulfill these basic human needs. From a leadership perspective, structure teams so they support these needs.

Autonomy: Every team member’s opinion counts. Team members have autonomy to make decisions that are best for the team. Decisions are arrived at by consensus, not by direction from a manager.

“Great things in business are never done by one person. They’re done by a team of people.”

- **Steve Jobs, Apple**

Mastery: Being part of a team encourages the learning of new skills and mastery of current skills. If an employee has a particular talent, that talent is recognized and encouraged by team members. Mastery of a skill is key to success and long-term fulfillment.

Purpose: Every team has a defined purpose or goal. Achieving goals and contributing to an organization’s success fulfills the need for purpose and increases overall job satisfaction.

Team building takes some effort but pays dividends in the form of happier employees and a more efficient workplace. This leads to more satisfied and loyal customers. Why wouldn’t you want your employees working together as a team?

A DMS that does business **differently.**

Auto/Mate by DealerSocket is a leading dealership management system provider. Our innovative software delivers the functionality, flexibility and value dealers need to maximize profits, optimize processes and enhance the customer experience while saving thousands on their monthly DMS bill.

The addition of Auto/Mate to DealerSocket's suite of products creates a new choice for dealers seeking a connected platform that's driven by innovation and backed by award-winning customer service. Together, we serve more than 9,000 dealerships and 300,000 users. For more information, visit www.automate.com or follow us on Facebook, Twitter or LinkedIn.



4 Airline Drive / Albany, NY 12205 / 833.349.0226 / www.automate.com