

EHLERT

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Boating INDUSTRY

Dealer certification
EXPOSES

10

innovative strategies
you can't miss.

Best Practices

Retail designs

Informal training

Empowered employees

Packaged services & pricing

Performance rewards

Inventory management

And more.

Hardin Marine
Arrowhead

Hardin Marine Arrowhead's Barry Lieberman

A little experience goes a long way

For certified
marine dealers,
best practices
propel success,
encourage
employees

By Matt
Bolch

Thank goodness every marine dealer approaches business in a different way. A combination of employees, products, location and customer service that fuels a booming business in one location surely would fail in another location.

Learning what works in one's market is part of the fun of running a dealership, and that's where industry best practices are born. As certification specialists from Five Star Solutions LLC are visiting stores as part of the dealer certification initiative, they have run across numerous examples of what they consider best practices.

"It doesn't take a lot of time in dealerships to recognize that there's a lot of innovation out there," says Jim Edwards, a trainer and certification specialist at Five Star Solutions, based in the Detroit area. "In the course of the certification process, we often run across practices that make us say, 'Hey, wow, here's something that really can benefit the marine industry.'"

Boating Industry editors have pored over the best practices compiled from the 68 dealerships that had received certification through early July, picking some of the best ideas to feature on the following pages.

Edwards notes that marine dealers are particularly eager to learn. "It's refreshing working in this industry," Edwards says. "Dealers are like sponges in their desire to learn, and they've received us with open arms. They realize that the certification process is a great mechanism to see their business in a different light."

Running a successful business involves the continual search for a better way to display merchandise, treat employees and work together to delight customers each and every time. Here are a few tactics that you might not have thought about – yet.

“Most boat owners don’t know the bow from the stern, so snapping a picture and sending it to us gives us a jump start to figure what is wrong and how to fix it.”

Barry Lieberman

Barry Lieberman and Hardin Marine Arrowhead is one of many dealers who have been cited for one or more “best practices” through the Marine Industry Certified Dealership program.



A little experience goes a long way

Optical illusion



People who have never set foot inside the Galey's Marine store in Bakersfield, Calif., would have no trouble telling a stranger where the store is.

Its prime location next to the huge auto mall on Highway 99, the main highway through Bakersfield that runs from Canada to Mexico, might be enough of a tip. But, if not, the 21-foot Bayliner that appears to be half outside, half inside the store should jog the memory of most people.

"We get a lot of people who walk through the door and then turn around to see the other half of the boat," which isn't there, says Don Galey, president of the business his father started in 1938. "But it really identifies our store and blends in quite well."

Galey says he got the idea while on a trip to Seattle several years ago. As he was driving around town, he came across an auto parts and service store that had half of a Corvette sticking out of a wall. He also has a friend who rejuvenates race cars for wealthy clients who then mount the car on a wall in their home,



so Galey was familiar with the concept.

When Galey's Marine opened its new store six years ago, Galey knew exactly how he wanted to decorate the façade of the 6-acre site. Since the store has been a Bayliner dealer for more than three decades, Galey asked the manufacturer for two boats: a 17-foot cuddy cabin that Galey's outfitted as a playroom and a 21-foot model for the outside.

The larger boat was cut in half, reinforced at key points and mounted to the outside in a way so water would not gather in the boat. The smaller version escaped the saw, although the seats and upholstery were removed and a pilot seat and ship wheel were added. Kids love it.

"When the parents are ready to go," Galey said, "the kids often aren't, and there have been some real wars." ■

Early morning awareness



Every other Tuesday morning at Spicer's Boat City, the service technicians clock in early to discuss the latest service bulletins

and share their own best practices at the Team Tip Meeting.

Phillip Spicer, president and owner of the dealership in Houghton Lake, Mich., credits service manager Bill Kerns for the bi-weekly meeting, which started earlier this year. "We certainly have seen more bulletin awareness" as a result of the meetings, says Kerns, who has been with the company for nine years. "We had issues in the past with people not seeing them."

Bulletins are passed on to the service techs as soon as they are issued, but those bulletins are reviewed in-depth at the meetings, which generally start at 7:30 or 8 a.m., before the store opens at 9. One of the service advisers also attends on a

rotating basis to keep up to date on service issues that might affect customers.

During the Team Tip Meetings, service techs also discuss what repairs they are working on and share tips for completing repairs more quickly. If a technician has attended a training course, he will discuss what he learned with the others. "We've come a long way with the meetings," Kerns says. "They serve as a great refresher for everyone."

Spicer pays the techs for their attendance, billing their time as an administrative expense. "It's another training issue that you have to invest in," Spicer says, "but it obviously benefits the customer because we're all on the same page." ■

A little experience goes a long way

Putting it in writing

Atwood Lake Boats has offered services related to pontoon boat service and storage for years, but business soared after the company put together a rate sheet that has become part of the sales process.

"We make it as easy as possible for people to own a boat," says Brian Valot, owner and president at Mineral City, Ohio-based Atwood Lake Boats, which has two full-service locations and two concessionaire locations. The company is the largest pontoon boat dealer in Ohio and handles about 800 launch and haul-out orders a year. The company had been offering a number of winterizing and storage services on an a la carte basis, but Valot hit upon the package idea about two years ago "because we wanted to convince our customers to do more with us."

The pontoon service package includes taking the boat out of the water, acid washing the pontoons, winterizing the motor, shrink wrapping the boat, servicing the pontoon the following spring and free hauling to the company's lake cottage. The more expensive storage package includes all of the above, replacing hauling to the lake cottage with outside storage.

In the first year, 11 customers chose the service package, and 136 opted for the storage package. Last year, 65 took the service package and 249 chose the storage package. Owners of nearly half the boats Atwood handles choose one of the packages, which saves customers about 10 percent over the per-piece rates.

ATWOOD LAKE BOATS
Marinas West & East

Rate Sheet 2006

Atwood Lake Boats has been serving customers for over 35 years at two locations on Atwood Lake, Marina West and Marina East. The goal of our service team is to provide a great boating experience. We are fully bonded and insured to give you the peace of mind your boat will be in good hands. Our services can be done individually or in packages with certain savings.

Pontoon Service Package (1) includes the following services:

- A. Taking the boat out of the water
- B. Acid wash pontoon
- C. Wash motor
- D. Shrink wrap
- E. Free hauling to Atwood Lake Cottage
- F. Pontoon Re-service - next Spring

18 ft. to 20 ft.	\$390.00
21 ft. to 24 ft.	\$450.00
25 ft. to 28 ft.	\$505.00
29 ft. to 32 ft.	\$605.00

Pontoon Storage Package (2) includes the following services:

- A. Taking the boat out of the water
- B. Acid wash pontoon
- C. Wash motor
- D. Shrink wrap
- E. Outside storage
- F. Pontoon Re-service - next Spring

18 ft. to 20 ft.	\$520.00
21 ft. to 24 ft.	\$585.00
25 ft. to 28 ft.	\$645.00
29 ft. to 32 ft.	\$750.00

Winter Season Outside Storage

All Pontoon Boats, Ski Boats and Runabouts	\$8.00 ft.
All Runabouts	\$8.75 ft.

Call us for our largest Pontoon Dealer
Marina West 700 N. 451 A. Marina East 700 N. 451 A.
760.741.7331
www.atwoodlakeboats.com

Selling the packages starts during the boat-selling process. A rate sheet is included in the documentation that goes to each new boat owner. They are also mentioned during the boat's on-the-water demonstration.

"We sincerely feel that the easier we can make the boating experience, the greater the comfort level the customer will have. It's a no-brainer," Valot says of the rate sheet. "Our people spend more money with us now because they don't have to worry about taking care of their boat. They just love it." ■

Picture perfect



When a customer at Hardin Marine Arrowhead has a concern with his boat, employees first ask the customer to take a picture of the problem area and e-mail it in.

"It's not rocket science," Barry Lieberman says, "especially since nearly everyone has a camera phone. Most are thrilled to do it."

Manufacturers often ask the dealership to submit photos of problem areas on their boats, and Hardin Marine Arrowhead has been e-mailing customers photos of boats in storage when something is amiss, so it was a natural extension to ask customers to send photos to them, says Lieberman, president of the four-store dealership with locations in and around the San Bernardino mountains.

"Most boat owners don't know the bow from the stern, so snapping a picture and sending it to us gives

A little experience goes a long way

us a jump start to figure what is wrong and how to fix it," Lieberman says. "When folks in my area buy boats, most don't have a clue what goes into it. All they know is they have a boat."

In one instance, what a customer described as an upholstery problem actually was scratches on the boat's side panel, and having the picture beforehand negated a call to the upholstery repair person.

Oftentimes, the e-mailed picture allows a remote diagnosis of the problem so parts can be ordered ahead of time, which allows the service technician to make the repair in the field in just one trip. "We can take the right stuff so we can get it right the first time," Lieberman says.

Making this practice work in a dealership involves a slight cultural shift among front-line employees to train them to ask the right questions, request an e-mail image and possibly do a little hand-holding with technology neophytes.

"People see the benefit, so we don't get any push back," Lieberman says. "They feel you are really trying to help them out – and that's the truth." ■

Give definition

When McMachen Marine was a Sea Ray dealer several years ago, it developed an employee handbook as part of the manufacturer certification process.

The dealership has undergone numerous, often painful changes over the past three years, shrinking from three locations to one and 75 employees to 18 as the Harrison Township, Mich.-based dealership's fortunes rise and fall with those of the U.S. automotive industry in this Detroit suburb.

Despite the drastic downsizing, McMachen Marine believes in the power of the employee handbook to bring clarity to workers, says Mark McMachen, general manager. "It puts everything in black and white so there's no grey area," McMachen says. "Job descriptions are clear, and employees know what's expected

of them."

The dealership used a template developed by Sea Ray to write its handbook, adapting the manual to meet its needs. Managers go through the document in the off season, making adjustments as necessary to keep the handbook current.

McMachen Marine also created a quality control form for use in the service department for customer follow-up about a week after the service is completed. The form, which has been in use for many years, "helps get to the bottom line of things and gauge customer feelings," McMachen says. "Calling them goes a long way."

The form isn't a script that's followed to the letter but rather an informal survey of how the repair went and whether there were any complaints that require follow-up questions. "We try to keep it simple and respect our customers' time," McMachen says.

The general manager skims through the completed forms weekly, taking remedial action as required. "It's hard to be perfect, but we try," McMachen says.

Another seemingly simple practice McMachen Marine follows is keeping extra shirts on hand for everyone who interacts with the boats. Clean and shiny boats don't mix well with the grease and grime that often accompany boat repairs. ■



“We try to keep it simple and respect our customers' time.”

*Mark McMachen,
general manager,
McMachen Marine*

Rewarding excellence

South Austin Marine believes in sharing the CSI wealth with the service manager and service writer when scores are high enough to trigger awards.

Kenneth Black, sales manager at the two-store Austin dealership, says that while all of the manufacturers it represents have some sort of CSI program, only Formula Boats Inc. rewards the dealership for its

A little experience goes a long way

“We’ve found out that by offering a little incentive, goals to be met, that employees work a little bit harder. It sure has taken a load off me, not having to talk to customers who would complain about things not getting done on time.”

*Kenneth Black, sales manager,
South Austin Marine*

CSI performance, with awards given for a score above 95.

“We get rewarded (for CSI), so we reward our employees, too,” says Black, who notes the program has been in place for about a year. “It’s helped us tremendously.” The dealership’s CSI score with Formula used to hover around 92 but now is higher than 98. The dealership services boats at its main location, but the company recently opened South Austin Marine Lakeside, located at Lake Travis.

Although the service manager and service writer are the only employees who benefit directly, splitting whatever award is paid by the manufacturer, mechanics also benefit through higher service labor rates that superior CSI scores can bring. Since mechanics are paid a percentage of the labor rate that can be charged, a higher rate puts more money in their pockets, Black says.

South Austin Marine has initiated a number of new systems to follow up with customers in addition to any surveys its boat makers might send out, which resulted from going through the certification process.

“We’ve found out that by offering a little incentive, goals to be met, that employees work a little bit harder,” Black says. “It sure has taken a load off me, not having to talk to customers who would complain about things not getting done on time.” ■

Family style



Jim Crews, owner of Crews "N" II Outboard, rewards all of his employees when CSI goals are met.

The 15 employees at Crews N II Outboard’s locations in Jacksonville and Yulee, Fla., are like family, says Bill Allen, general manager. And when good fortune strikes, such as when the company receives bonus money for a good CSI score from Grady-White Boats, the company believes in sharing the bounty equally among its “family.”

“It’s kinda a no-brainer,” Allen says. “They’re rewarding the company; they’re not rewarding you.”

The company was founded in the 1940s as Outboard Inc. and was purchased by Jim Crews in 1998, who renamed the company after one of his boats. Allen, formerly a mortgage broker, is Crews’ son-in-law and has been with the company for seven years. Many employees have been with the company for decades. The service manager’s dad used to hold that position, and he still works at the company part time in the parts department.

“We spend more time here than at home,” Allen explains. “Most of these people talk among themselves more than to their spouses. We have different temperaments and know how to treat each other and our customers.”

Allen, ever the numbers guy, says Crews N II could have recorded the CSI windfall as miscellaneous revenue but firmly believes spreading the wealth makes a much greater impact to the company’s bottom line. “It’s not a lot of money, but it’s a pat on the back,” Allen says. The company hands out the reward in cash, and Allen says it definitely impacts morale. “Everyone will come up and thank us, from the guy who washes the boats to the service manager.”

A little experience goes a long way

In the past three years, the dealership's CSI score with Grady-White has been around 9.8, but Allen says the company is firmly focused on scoring that elusive 10. "When we talk about CSI, it's a group effort," Allen says. "We want to make people feel that they're a responsible part of the team." ■

Self actualization

What do a package delivery company and a 20th century psychologist have to do with selling and servicing boats?

Ask Bill Fraine, general manager of Legendary Marine, the five-store dealer headquartered in Destin, Fla., with locations in the Florida Panhandle and Gulf Shores, Ala. During a long career at FedEx, Fraine developed a benchmarking philosophy for employees

that carried over to Legendary Marine, where he started the practice in January.

"I learned in my years of leadership that 99 percent of the employees came to work every day to excel at what they did," Fraine says. "The reason many fell short of the mark was because they did not know where the goal line was." That's why Fraine developed benchmarks for minimum expectations. Once employees know what's expected of them, most tend to over-achieve, he notes.

To benchmark Legendary Marine, Fraine sat down with department leaders to create and review satisfactory specs for each job description. The general categories include quality, productivity, job knowledge, reliability, attendance, independence, creativity, initiative, adherence to policy, interpersonal relationships and judgment.

When asked whether the system has improved employee productivity and morale, Fraine points to Abraham Maslow, a psychologist who developed the "Hierarchy of Human Needs." The hierarchy is a pyramid divided into deficiency needs and growth needs. Deficiency needs at the pyramid's base include such things as food, clothing, shelter, safety, a sense of belonging and esteem. Further up the pyramid one finds growth needs, which are fulfilled after deficiency needs are met and include a need to know and understand, aesthetic needs, self-actualization and transcendence.

"An employee cannot realize 'self-actualization' (or other needs) if they do not know where they stand in their work life," Fraine says. "Many of us derive who we are from what we do. Understanding clearly how well I am performing allows for confidence and growth. Taking the time to ensure each employee knows his job expectations and understands his performance level is the key to success with employees." ■

Empower employees

What does it cost to resolve a customer concern? Somewhere between \$100 and \$150, says Kris Gustafson, president of VS Marine in Atascadero, Calif. And he speaks from experience.

Gustafson has empowered his employees to spend up to \$500 to resolve a customer complaint without involving him. "I started doing this three or four years ago because I didn't necessarily want employees to

Management by Objective (Service)

People: (Goal set for team achievement) Value 25%

1. All Technicians complete training on time
2. Service team feedback score from Sales and Marina above 95%
- 3.

Service: (Goal set for team achievement) Value 25%

1. CSI score for delivery on time and initial quality improves 5%
2. 95% of all boats returned to customers in the committed time. (Follow up calls to customers where we find delays)
3. Bonus - Find one way to improve Sale and Marina through team work.

Profit: (Goal set for team achievement) Value 50%

1. Hit all service revenue targets
2. Beat budget by 5%
3. Develop on idea sales can save money in Sales and Marina

Description of team's plans to hit these targets and team incentives must be attached.

Manager's Signature _____

Approved By _____

come to me to resolve an issue," Gustafson says. "I didn't want to be the middleman. Employees can make these decisions because they are on the front line."

The payment can come in the form of cash, merchandise or time the employee spends traveling to a customer's boat for a firsthand look. Gustafson says an employee will spend company money 10-to-20 times a year, mostly in the service or sales departments because of the close customer contact. Although the dealership has authorized up to \$500, he says most complaints are resolved with no more than \$150.

Each time money is expended, the dealership requires the employee to write a report on how much money was spent, why and what the outcome was. Gustafson reviews the report with the employee to make sure the money was spent correctly. In only a few instances has money been misspent, and Gustafson says those instances occurred in the program's infancy. He attributes the missteps to a lack of information flowing from management to employees about the

program.

Gustafson believes any dealer would benefit from a similar program, especially as manufacturer warranties increasingly don't cover everything that a customer believes they should, which leaves the dealership in the middle to handle concerns.

"We know we have enough margin to take care of our customers," says Gustafson, pointing to the high CSI marks the dealership receives. "This is one of the tools employees have to get the job done.

"This is a great way to make customers instantly happy instead of letting them stew until I can get to it," Gustafson says. ■



Dealership Certification Ramps Up

t's been nearly seven months since the first group of 28 "pilot" dealers achieved certification under the Marine Industry Dealership Certification program. Since that time, the number of "Marine Industry Certified Dealerships" has more than tripled, with a current total of 86 certified dealerships and another 200-plus dealers actively working through the process [as of late August]. That number is expected to climb throughout the remainder of 2006 and into 2007, and by the end of next year reach as high as 500 dealerships.

With these results, it's clear the industry has jumped on the certification bandwagon and fully supports the Marine Industry Dealership Certification program. Dealerships see clear benefits in earning the "certified" status, manufacturers have been encouraging every step of the way, and in the end consumers, too, will benefit by purchasing a product backed by industry-approved sales and service standards.

Dealership Certification Launch Workshops held this past spring were packed full of dealership personnel interested in pursuing certification through the program. After conclusion of the spring sessions, which wrapped up in May, more than 600 dealership employees had participated to date. The fall Launch Workshop schedule began in August and continues through November. As of late August, more than 50 dealerships were scheduled to participate in the fall meetings. Workshops are limited to 25 dealerships and are scheduled for

locations throughout the country. Manufacturers are also invited to learn more about Dealership Certification by sitting in on the workshops.

Already, several local and state Marine Trade Associations, boat manufacturers and other groups have requested that fall workshops be held in their areas. Some have gone one step further and offered to provide meeting space and catering services for the event, as well as promoting the workshops among their respective memberships—a clear indication the industry recognizes a need for the program and is willing to help aid the ongoing effort. A workshop can be conducted in any area, provided at least 20 dealerships to participate.

The Marine Industry Dealership Certification program is still somewhat in its infancy. But instead of taking baby steps to forge ahead, the program is growing by leaps and bounds. Support for the program resounds throughout the marine industry, and at this rate it's just a matter of time before everyone wants a piece of the action. Dealership Certification is setting a new standard for the way dealerships conduct business in today's marketplace.

For additional information on the Marine Industry Dealership program, or to host a Launch workshop in your area visit DealerCertification.org, or contact Elizabeth McAllister at (312) 946-6500; emcallister@DealerCertification.org.

— BY ELIZABETH MCALLISTER

Elizabeth McAllister is program manager for the Marine Industry Dealership Certification program, an integral part of the industry's Grow Boating Initiative.



AT THE HELM

Your Higher Calling

Two years ago, it was a little difficult

to bank one promise that pride would be the No. 1 byproduct of the Grow Boating campaign.

Marine executives, not surprisingly, were focused on measurable results. They were talking about lead generation, ad campaigns and target demographics. They asked questions like “What will it cost me?” and “Will it really grow anything?” Needless to say, they wanted something more than a “feel-good” effect like pride to ensure bottom line impact.

But pride is the exact motivator behind much of the Grow Boating momentum. And yes, it's also making bottom line contributions.

This shouldn't come as a surprise. It's just as we were promised. In an article we published two years ago, Tom Faludy, the man who founded the coalition that launched the highly successful GO RVing campaign, told me that “combined with the solidarity that we now find ... there's no issue that fills us with universal pride like this one does.”

Pride beamed from the RV dealer we highlighted in that same issue as he showcased his impressive new facility. Now we're seeing examples of that same pride emanating from marine dealers – albeit for different reasons. RV dealers took pride in the fact that they contributed on the front end, financially, to a marketing campaign that helped it become the fastest growing industry of its kind.

Marine dealers, on the other hand, were not asked to contribute upfront. They were asked to invest \$2,500 in immediate business improvements – a very minimal request, in my opinion – as opposed to investing in a marketing campaign first, with potential sales to follow. Having chosen in favor of this immediate-impact investment, these early adopters have been given the framework and tools to improve their facilities and their business practices, and they are reaping the rewards of the program that Five Star Solutions has offered.

Rather than complain about the investment cost, dealers are exhibiting a great deal of pride in their accomplishments: becoming certified on the first visit; being honored with “best practices” and so forth. There are nearly 300 dealers either certified or in the queue for doing so in the near future. Organizers expect that number to climb to 500 by the end of 2007.

If you're a dealer and you haven't committed to this, it's time to stop balking over the monetary commitment and realize that the exponential value of this program is right at your fingertips. If that's not enough to convince you, then realize that it's also right at your competition's fingertips.

If you're a supplier, you need to find ways to entice your dealers to get involved. Throw in some coop; pay for a percentage of the fee; reward them somehow.

Because as Faludy and the RV industry learned: “When you see yourself in a different light, you expect more from yourself. It's like a higher calling for a greater sense of responsibility in order to provide that world-class experience.”


MATT GRUHN
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What makes these boaters happy will make your dealership prosper.

Investing in Marine Industry Dealership Certification pays off in happy customers. Happy customers pay off in repeat business and increased sales. The program provides resources and tools that will help you meet and exceed your customer's expectations and ensure every customer has a positive retail experience, every time.

Program benefits:

- Boosts sales and profits
- Improves your dealership's employee satisfaction
- Reduces operating costs through more efficient and effective processes
- Listing on DiscoverBoating.com website
- Direct access to leads generated by DiscoverBoating.com

Register for a Marine Industry Dealership Certification Launch Workshop today to get started! Visit dealercertification.org or contact Program Manager Elizabeth McAllister at 312.946.6500 or emcallister@dealercertification.org for details.

