

## **Notes from the ACC 2010 Meeting Technician Panel Discussion**

Thursday, April 8, 2010

Palmer House Hotel, Chicago, Ill.

10 a.m.

Moderator: Tony Molla, ASE; Panelists: Frank Aleman, Acorn Tire; Angi Semler, Star Auto Authority; Pat Weber, Weber Automotive

Question 1: Are the country of origin and brand names important to you and your company?

PW – Yes, depending on the vehicle. We operate with a good, better, best system.

AS – Brands do matter, as related to our experience. Our technicians do our part ordering for us, so we let them decide.

FA – We know that some of the name brands we use come with quality.

Question 2: Do you find that your customers are interested in brand?

AS – It's pretty rare. We may have one in 100 customers that ask for a specific part brand.

FA – We find that we get specific requests with more customers that have European models.

PW – We put information on our brands on AutoNet TV, which we run in our lobbies.

We put those brands in the videos because we believe in them; we want them to see tapes of things that are going on in our shop.

Questions 3: Is there ever a situation where you'll give a brand that has lost your trust, a second chance?

PW – Yes. If we have a problem, we'll talk to the rep. They are usually very pro-active to fix any issues we may have.

FA – Generally we don't, we just move on to a different, better, trusted brand.

AS – We are in the middle on this. We tend to be loyal, but if we see a problem with a long-term vendor, we will see how they address it and determine whether or not to go back to them.

4. You mentioned AutoNetTV – are you using more lobby marketing direct to your customer these days?

PW – Yes, we really do focus on an interactive experience with our customers.

AS – We do minimal lobby marketing, because most of our clients don't wait for their service. We do, however, use AutoNetTV for our blog.

FA – We do mostly advertising in our lobbies (posters, papers, signs) and Internet advertising.

5. Do you find value in the content you receive from manufacturers? Do you take advantage of programs like "Be Car Care Aware?"

PW – We have car care guides from Bumper to Bumper, and would love more interactive videos from manufacturers to show to consumers.

AS – We wish there were more videos available, and credible enough and non-biased to help our customers.

FA – I'd like it if manufacturers would go more Web-based, and we'd like displays to be less biased and devote at least 50 percent to information on the services provided.

6. Do you have space for point-of-sale materials, and if so, what do you like?

PW – Because of the differences in our shops, we'd need two to three sizes.

AS – We have a large area, but no POS because we want to keep it uncluttered. We'd use more interactive materials, like we can show on a computer or TV.

FA – If there was more value in the POS materials, we'd use them. Perhaps, if they had information rotating in a digital frame, that would be useful.

7. How are you competing for new customers?

PW – We study blogs for current information.

AS – Our tickets are up, and we have more rebuilds. It's not to the point where maintenance is ignored, but more people are spending.

FA – Our car count is actually close to the same as last year.

8. Are you seeing more maintenance or repair work done?

PW – I tend to push maintenance, since that's our bread and butter.

AS – Our majority is maintenance; I'd say 70 to 80 percent.

FA – I push maintenance through commission – mostly preventive is 10 to 15 percent.

9. Do you allow people to bring in their own products? Do people know about their preferred products through the Internet?

PW – No, and I usually explain why we use what we use, and explain it nicely. I show them how if the part fails, they'll have to pay twice.

AS – That's rare for us, because we then can't warranty the part.

FA – We don't because of insurance regulations.

TM – It's often more trouble than it's worth.

10. What is the breaking point for you for a part's availability, versus the brand you want?

PW – We see what our vendor has that we can choose from. We usually only have a problem if it's something really obscure. The issue we have is when we have to order from the OE, because it often takes five days for the part to arrive.

AS – Generally we go with our top two vendors, and we will go with the one that can get us the part faster, if it's only a slight cost difference.

FA – Our European car owners are usually willing to wait, but we generally go with the best quality part that is available quickly.

11. What percent of purchases come from your first-call supplier?

PW – 50-70 percent

AS – 50-70 percent

FA – 60 percent

12. How much do you get from the dealers? Are they getting aggressive? Taking your business?

PW – We try to circumvent the vendor as much as possible. When forced, we go to the dealer only 15-20 percent of the time, only because I have no other option. I have a problem with the dealer mentality, they don't support us – I want to support those who support me.

FA – We only go to the dealer if we MUST get an interior part. Toyota and Dodge try to sneak in and sell us parts, but I do sell them tires.

AS – 15-20 percent are dealer parts, and we do try to maintain a relationship. They make no effort to change our business, but we find lots more complacency with them, and a lot more defective parts.

13. What do you think about extended service warranty plans?

PW – I sell them, but we don't see them as much.

AS – I am a big fan because of our bumper to bumper inspection service.

FA – Our policy is the customer pays us, and then we get the reimbursement for them.

14. How much of your parts ordering do you do online?

PW – 80 percent online, wish companies would get a camera and provide better pictures.

AS – 85-90 percent online, accuracy is generally OK.

FA – 95 percent online, and our service manager orders the parts.

15. Do you use manufacturers' Web sites?

PW – Yes.

FA – We use Carquest, and it's up to our service managers. Because of the pictures, we have lower returns.

16. Do you order online through distributor-based systems?

PW – Yes, and you can look at parts inventory and location.

17. Are you finding, in your search for technicians, are you finding good quality labor and availability?

PW – Our millennials are very good when they're there, but we have trouble getting them here.

AS – We have a real challenge because it's such a technical industry.

FA – Since the schools are so expensive, they're expecting much higher salaries coming in.

PW – It costs so much money for education, our new technicians enter the industry in debt, and have to buy tools, then get low salaries – it's hard to motivate them. We have made it too complicated to become a technician.

18. Have you picked up OE-trained technicians from defunct dealerships? Are they the kind of technicians you want?

FA – No, we've had nothing but bad experiences.

PW – We have had no good technicians from OEs. They are very complacent.

19. Are you already dealing with hybrids and advanced technology?

AS – Maybe 10 percent, we are seeing more training for it, though.

FA – We do lots of maintenance on hybrids, and we require and pay for all of our technicians' training on this.