

Customer Case Study

Client/Organization:

Aftermarket Auto Retailer

The Challenge:

This client has four retail locations. One was profitable, one was on the brink of closure, and the other two were somehow being sustained. However, business and personal debt were increasing. The business was losing inventory, losing employees, and unable to pay many of its vendors. Some vendors blacklisted this client (meaning they were no longer allowed to receive inventory). The owner made quick, rash decisions on hiring/firing, system upgrades, salary/bonus structure changes with little thought as to the risk, rewards, and ROI. The client had very little documentation and the bookkeeping was a mess - they were at least one year behind in their reports. It was a scary position to be in for them and for us! When we took on this client, they had been through three previous “consultants.” Even though they were not officially tracking customer satisfaction, they did have a process in place to handle complaints - of which there were few.

Solution Milestones:

The client initially needed to make a quick decision about the one store that was on the brink of being closed. However, before making that decision, we had the client identify and fully define its core values. Those core values were being tested every day. Since we look at core values as something that shouldn't be violated, we then had to talk about what happens when those values are violated. Do we change the values, or do we work on changing the behavior? After much discussion, the client decided the values were right for the business. The vision was developed after the values were defined and deemed necessary and sufficient for the business. The vision and values were shared with the entire staff and it generated some excitement among them. Revisiting the vision also helped the client make a decision to keep the store open since having multiple stores in specific geographic locations was a part of that vision. The store in question was in one of the specified locations described in the vision. The next step for this particular client was to dive into the one retail location that was about to be closed. Looking closely at the books, finances, the location, the building, the staff, the inventory, and the mix of business, some things were identified to look into further.

We discovered they were not tracking any of the product returns, so we designed a simple process to start tracking returns. This process was implemented at all of the locations and was monitored on a weekly basis. Soon it was discovered one of the managers put himself on the “five finger discount plan” and was helping himself to items returned. We also discovered the manager at the location about to close was not the right person to be in a management position. He was a great installer and technician, but he was not a great match for customer interaction and sales.

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Solution Milestones - Continued

While discussing staffing solutions with the client, we found they did not have a consistent interview process nor did they have accurate job descriptions. During the process thus far, there was also a tremendous amount of leadership development going on. The client was very involved in the details of things he did not need to be heavily involved in.

We worked together to complete a business plan, identify critical goals, and put action steps to those goals, and all of a sudden the client was cancelling meetings, and showing up late without any progress being done on the action plan. It was difficult to get to the bottom of what was happening. The client had slipped back into some old habits. After a tough conversation and asking him whether or not he wanted to make his vision a reality he said “yes, but” I explained to him there are no “buts” allowed in leadership. I told him when I hear the word “but” it erases everything that was just said, and that the “but” part is what one really means. He had to think about that a bit, and a few days later called to tell me he finally got it! His “but attitude,” was not only preventing him from moving forward, it was also preventing the staff from believing him when he talked about the future of the business. Things took off for this client after that realization: They got back to working their plan, using a monthly dashboard to report out results, and began to take action where required if things weren’t progressing on schedule.

Results/Outcomes:

Not only did the store that was on the brink of closure stay open, it was profitable within a couple months. There were some intentional staffing changes and smarter hiring decisions were made. An inventory control program/process was implemented. Short weekly manager meetings were implemented where each store manager must report out on their sales, profits, and lessons-learned. This allowed them to see whether they were on or off their targeted numbers and to take action rather than reacting to it months later. They set-up a consistent bonus structure for employees. The client was able to re-negotiate some term-loans because of the detailed business and action plan we helped them develop that was driving results. The financial institution was able to see progress they hadn’t seen with this particular client in years.

Follow-Up/Sustainability:

We stay in monthly contact with this client. They have maintained most of what was implemented. The weekly report outs and monthly dashboards are used during our on-going coaching conversations.