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## Organizational Assessment Executive Report

### Assessment Process

I reviewed interviewed managers, held employee roundtables and conducted an employee survey.

- 18 key individuals were interviewed.

Randy Henderson  
Mike Contestable  
Aki Henderson  
Mark Augusty  
Tom Daigle  
Dale Hill

Rosa Day  
Tony McCafferty  
Robert Tuner  
Tony Gallo  
Bonnie Jones  
Sue Silvernail

Suzanne Allman  
Carlin Williams  
Kris Switzer  
DaMaris Corzatt  
Leighton Rockafellow  
Bob Yannatone

- 13 employees attended two roundtables (one at each dealership) representing a cross section of job functions (service, sales, admin, parts, body shop, including drivers and lot techs)
- 67 out of 85 (79%) individuals completed a *Voice of Employee* survey online. Of those, thirteen were completed by hand and manually input to the online version by Shared Results International.

The first section of this report contains narrative summaries of the comments made by the interviewees and roundtable participants. To understand the context of the summaries the following comments should be remembered.

1. The summaries provide what we believe to be the most significant remarks made by the interviewees and participants. They are not transcripts of the entire discussion.
2. To avoid excessive repetition we did not repeat themes expressed over and over again by the various participants. We include the unique or most insightful remarks made by each.
3. The comments made by the interviewees and participants may or may not be exact quotes. Many of the remarks are paraphrased and some of the remarks are composites of intent expressed by the people involved.

While a list of prepared questions was used to guide the interviews, we sometimes deviated from the questions when the line of discussion became more fruitful in other areas. The key messages listed below provide what we believe to be the most significant.

## Management Interviews

"What do you see as the *vision*?"

- To be an auto dealer that people want to deal with. Integrity is a big thing. Treat them like family. I don't know if that is vision, but what I would like it to be. Stop seeing customers as customers, but as people.
- To be a place that is a household name
- Everybody to pull together as a TEAM. It all starts with the employees, if everybody works together it would make it a lot easier for others.
- From the perspective of what – there are several visions. First and foremost as growth – both dealerships, to the point where people in Webster and eastern outlying areas, in Rochester when think about owning a vehicle, our name is what they think about, that the Webster Chrysler Jeep and Webster Ford Lincoln Mercury is their choice, a lifetime of service, excellent customer service. We have them covered through the whole process and always get more than they expect.
- I don't think we have a vision. I like Mr Henderson, but I think he needs to have a vision before he can set one for us. He can say he does, but I don't feel that he does.
- In my opinion, I think it is to honestly to be the best Ford, Lincoln, Mercury in the area.
- To provide a quality of service for customers - to be a caring organization, that cares more about their customer than the finances - wanting to make a profit, but making sure your customers are pretty well taken care of.
- I don't know, what do I see as the vision? It seems to be heading in the right direction, now that the Greece store is gone, all spread so thin, now down to the two together, closer together, more time spent, and how to get there.
- It has always been, "we want to be the kind of dealership that people REALLY want to do business with".
- We know the generic one, making everyone the best we can be, the best Ford Lincoln Dealership around.
- Ensure that we always remember that customers are our bread and butter, and we as an organization embody integrity The employees understand their relationship with one another to bring about the success of the organization.
- To be honest, to have integrity, to where everyone wants to REALLY come to Ford Lincoln Mercury.
- From my perspective, it is to have the employees get up every morning because they are going to make a substantial living and have a place to live and learn. "It's a great day here at Henderson Automotive."
- Definitely getting back to where it once was and beyond. Creating a better environment for employees and customers to do business in.

- To be the kind of automotive family that people really want to do business with, be comfortable, want to come and shop and do business with us.
- Known for that kind of company people really want to do business with
- Being your community dealer, focusing on being more involved in the community, using our resources to get more business in the community, sponsoring more community events. This is such a close-knit community and the only other dealership with the town name [Fairport Ford]. It's an advantage, because especially this community likes to keep the money here, they don't like to go outside the community.

"What do you see as the most *significant challenges* the organization will face in the next 3 years?"

- Staffing – plan to work on employee retention, strengthen the communication between employee and management, retain more employees, spend less on training new ones,
- Turning the used car inventory faster.
- Following up with customers we are already doing business with, retaining them as customers just important as retaining sales people.
- We need more timely response to our requests from IT. We should have a system that monitors the requests, prioritizes them so that the most urgent get done first, and then tracks them so that we can see their progress and everyone is held accountable.
- Having customer believe we are the type of dealership we want, since auto business has such a bad name.
- Getting rid of the massive change. It is just spinning all the time, you are dizzy.
- We don't have any marketing materials to work with. Have been waiting for months. There are mistakes like the wrong phone number on the magnets. We have thrown away materials because they got here so late we couldn't use them.
- Randy's personality is not a someone who is an extravert, warm. He is not someone who goes out there, drink coffee with the tech to show he cares. I don't want to say it is too late, there are a lot of good people. But he doesn't see what is going on, people are working hard, not being recognized, monetarily for all the extra work they do.
- Lack of consistency and follow through. It just doesn't happen.
- The appointment side in service is a big challenge. We have too much business all coming in at once, you can't do the proper job for anyone. An appointment coordinator to field all the phone calls is needed. Now it is haphazard, because I and the three advisors are taking appointments, so you shoot yourself in the foot.

- Need somebody that we can talk to on a daily basis about parts, someone watching over the parts department here at Ford. It is easier to have a parts manager on the premise, difficult when running back and forth for ton
- Not having a stable management force. Always going through new ones.
- No consistency. We had Good to Great given a year ago.
- We have to find our footprint, what our vision is. Internally we don't have it, a lot of talk, but no follow through.
- Have you driven around the parking lot? Someone keeps telling me we have the Henderson Auto Family – I never see any advertising for that, so what are we, no one knows.
- There are certain things you have to have as a dealer: a clean organized parking lot, showroom.

“What do you see as the keys to meeting these challenges -- to being successful?”

- He needs to be engaged, to know his people, realize he has good people working for him, heard many times 3rd party people have told them what a good job I have done, he has never told me. I am here more than I see wife and kids, and have never been told I am appreciated.
- You need to be fairly compensated for the time and effort.
- Finance reserve, aftermarket products: paint protection, maintenance, service contracts. This could bring in \$70K for the dealership.
- Staffing: training, the sales people to properly do their job. If they start making more money, happier, easier to retain, happier customers leaving the store, sales processes, telephone, several different training plans.
- Faster turn around of inventory - when they are traded in, they are not left, brought through the shop faster, cleaned up, made available.
- Retain the customer -- training with sales, follow up, prospecting, delivering above and beyond what the customers expectations are. under promising, over delivering.
- Getting the service writers to be able to convince the customers they really need to have their tires rotated and other up-sell opportunities.
- Randy's presence and communication meetings with employees. We used to have one every month. He got too busy. I told him often, his presence makes a huge difference. People know he's here. They view it that if he is not here, he is not paying attention, he doesn't care. His physical presence makes a different. They stand up straighter, show respect. Have respect.

- Make sure you have the right people in the right place at the right time. And it starts from the top to the bottom, making sure management is executing that vision
- The dealer has to buy into the follow through.
- Advertising

*"Why do customers come to your organization? What is your competitive advantage?"*

- They come because of the relationship with Mr. Henderson. That's great, but it should be because of the organization, he won't always be here, long term
- Much of it is convenience, live close by, just the natural location of dealership will bring in customers who live in demographic area. The product – not get a lifetime warranty at any other dealership; no other manufacturer this.
- I don't know if I would come here, as messy as it is, nothing drawing attention to the store.

*"What opportunities exist for the organization that are not being seized?"*

- Get more into the community, especially Webster. Let them know we are here, a neighborhood dealership. Everywhere from HS to Dr office.. My son plays football, give the coach a chance to raffle a car; community service things we can do in our back yard.
- More effective prospecting to bring in more customers. Better sales skills. The training we are going to be using, appointment-setting phone calls to get the customers on the lot.
- A porter - we have moments when the cars are backed out in the drive so far, we'll have customers standing around waiting for people to help them – and then they leave.
- A lot of people drop off before work, so get back up, 2 – 3 hour window in the morning. A porter could help wash the car, keep them busy doing maintenance, cleaning.
- I think advertising in our own back yard, not enough money spent here. I don't see WCJ and Henderson. I see Vision, Hyundai.
- Why don't you see the dealership from the street? The cars are in the ditch. You need to display what you have.

#### Compensation / Benefits

- My pay plan is less than when I started three years ago.,
- We have amazing people with incredible talent, don't try to take everything out of their pocket and keep it in the house's pocket.

- It's endemic to the industry, if a person is making too much money, they will change the comp plan, say its better for you, but it is not. It's because most of the time you are working for family owned enterprise. They can change the rules any time they want.
- Policies are not the same for everyone. Some managers have demos, others not.
- I am spending a \$100 a week with gas, without a pay increase.
- Mr. Henderson, starting from the top, really does care about his people, but they leave because he doesn't pay them. He needs to spread some of that money that people are making.
- In my opinion, any compensation issues driving people to leave, are because they don't sell vehicles.
- I've been here over three years and not had a raise.
- Not fairly compensated – a perfect examples, my comp plan is 7 years old, no matter how much income I generate for the store I can't get a bonus.
- We don't have any benefits as employee. Even vehicles. We should be able to purchase them at a reasonable price over anyone else. We should be able to get it fixed at a reasonable price over others. We have a policy, but it is not consistently offered. Sales gets the policy, but when others need it, the price goes up, the policy changes. It's not fair.
- We don't provide medical, we don't provide dental, we should be able to purchase a car cheap, service, come to a friendly environment, a clean environment.
- When you have different pay plans for different departments, they fight with each other. They're set up that way.
- A lot of good people have left, 99% of the time is compensation. Not fairly compensated for the time, not acknowledged for the good job they do.
- Being disengaged because the owner has been disengaged (a lot on his plate). I read an article that said: – if your manager doesn't notice you, you become disengaged,

#### Culture

- A lot of disgruntled people. The processes are broken. We're told you can't do this, you can't do that. And if there is a more effective way of doing, we're told do it this way instead.
- I can hear a lot of frustration such as the little things, like pot holes. If the dealer isn't putting money in that, maybe my job is in jeopardy, so they look elsewhere. Rumors of Marina buying us out.

- You get penalized when you take your time off. I get 7 phone calls on my day off. Or you have to come in on your day off or be told you aren't a team player. I never feel as if I am off. Never feel as if I can go home, turn off the phone.
- Have the Sat morning meetings every other week, be here at 8:30 AM when supposed to be here at 9: I work 60 hours every week.
- It is not an industry thing to have to come in for meetings - let's do it when we are here.

#### Facilities

- Did you look at the bathroom? If you were purchasing a \$35K car you have to step up the organization. If you have a chain link fence with barb wire, and you have to avoid the craters in the ground – just to look at a \$35K car. That doesn't work.
- There is no air conditioning in parts department. It's 110 degrees in the summer, its crazy.
- Tattered flags are not acceptable.

#### Appreciation

- They had Seabreeze for while. We had a red wings game a couple of years, ago. We just stopped and no one told us we weren't going to do anything anymore.
- No Xmas party – one of the issues. We used to. The year they had a gathering in the showroom, and two years ago, had an offsite Xmas party. Now nothing.

#### Owner

- He doesn't know the workings of what is going on, hearing things from other people, instead of figuring it our for himself.
- I report to Randy, and yet was transferred, and was told by someone else.
- Randy has a heart of gold, gives everyone an opportunity as long as possible. Keep moving people, until it is too late.

#### Other

- When Randy first came, we had an open book, manager meetings, we were held accountable, we had monthly finance reviews, we had weekly meetings where we knew exactly where we stood. Now with the lack of people, the lack of personnel in the office, we can't get the information
- We have ADP – instead of Reynolds and Reynolds. We recently switched to ADP, and it seems stupid. You have to dumb yourself down to it. It's easy to screw things up, but Reynolds and Reynolds, they tried to gouge us and he switched. We in the department weren't involved as we should have been.

## Employee Roundtables

### Appreciation

- When you do a good job, no one recognizes you. They focus on negative.
- We see Sue working day and night. We never seen Randy saying or doing anything for her. Her birthday gift should have been NYC for the weekend, on me.
- There is no appreciation. I bust my butt. Every day I walk out of here feeling like a piece of crap. I let someone down. You can only do so much.

### Body Shop

- The greatest thing to fix is that the body shop moves back here. We run parts issues and it's hard to keep on top of things. It takes a ½ hour to get from here to there, it takes an hour to go two ways, and in that time I can get a lot of work done on the car.

### Communication

- When changes are planned or suggested from a technology perspective, we need to be asked about it. Nothing should be implemented because someone *thinks* they should be -- no matter what the experience and knowledge they bring. If it affects the departments, our input should be required.
- At the place where I worked before, when you were new you set up the voice mail, you were given a little run down of how to run the phones, set up vmail, transfer a call. Not here.
- Communication – it all comes back to that, no one tells her (the receptionist) when they go into meetings, and the customer calls and wants to know where someone is. I can't provide good service.
- Customers call in to talk to a sales people. We don't know where they are or when they are coming back or how to connect them. They don't come for their messages and they don't seem to get them in their voice mail either.
- I ask, do you even know you have voice mail? Many don't.
- Full disclosure on accounting, when first started here, there was a full breakdown on what is made on vehicles. Now we don't know it anymore.
- Half the sales people don't have voice mail. How can that work? And we have asked to let others set them up so we don't have to wait – it would be good to take some of these training responsibilities out of IT. If someone would show me how I could have them leave their own voice message on the system, we would improve communications.
- I can't run out of the office and give paper messages all the time. I get 70 – 80 customer calls an *hour*. I have 14 lines.

- I have to take messages from sales people who aren't here, and they don't care to come to get them.
- As a tech, I STILL don't know how to use the phones here
- If I could take a message and send them an email. I could type it in -- that would make it easier. If they don't check their email, though I can't keep paging people to come get their messages.
- The customer first impression, isn't pretty when you call, and they hear they aren't here. I don't know where they are. We look like a bunch of idiots.
- We look like idiots, its is embarrassing. You keep paging me, I don't know how to pick up the phone, what is expected of me or the sales – when Bonnie and I are doing the job of five people.

### **Compensation**

- I have been here three weeks, still trying to find out to my retirement, my vacation, am I grandfathered in? I asked my supervisor 4 times. Every time Randy hasn't given me an answer yet. I'm working but I don't know any other place where I would do that. I don't know my package.
- I shouldn't have to fight for my money. I sold 10 cars and got paid for 9/1/2. I have bills to pay, obligations. I can't wait a week for them to sort this out.
- In 30 years I have not heard a place that didn't at least pay salary to their managers,
- No one can explain why sales don't get paid for a holiday, and no one knows why. We get paid for vacation, but not holidays.
- People with no raise in 6 years, there is no evaluation of employees..
- I know I sold a vehicle for this amount, so why am I getting a mini deal? Talk to other sales reps they have the same problem.
- The only people making \$\$ is the managers.
- I m down \$30K because of new managers. They are always new. People get fed up. When they leave there is no plan. They would rather not pay a guy.
- You aren't going to get good people if you don't pay them
- I was salesman of the year 3 years in a row. The first year, I got a ski trip,; the next year a gift certificate; last year, I got a pen. The owner was not here and didn't say anything. The manager had to beg, stand up to the owner to get anything.
- The group did 86 million in sales, and we got nothing in 401K, we didn't make anything, it is a discretionary 401K

- Last year, all of the money that came in here, and then at Xmas we got peanuts for a bonus and a turkey.

## **Culture**

- like a train track with a turn, and somebody flips a switch and the train goes over the cliff.
- All my customers come here to buy, I have it easy. We take it easy. I don't have to do any work. I don't have to care what the company does, I live off my own people.
- Technically I don't care what they do, it doesn't affect us.
- The concept here is pick up the penny and throw away the dollar. Constantly waste money. We think it's on purpose, so they won't make money. Because they do nothing that makes any sense to make money.
- The owner is simply not around. I don't see how the dealership can run smoothly without him. Especially since there are no managers with any tenure either. We just live by the moment, and watch dollars go down the drain from inefficiencies, lack of knowledge and not caring.
- I made this list of problems 4 years ago when a consultant came in and held roundtables, 80% of what I made 4 years ago, is still an issue.
- It just seems to take a long time to make a decision.
- Morale is the lowest I have ever seen.
- Never seen a place with so many meetings with so little done
- No accountability – You can do whatever you want and I could take a crap in the middle of the waiting room. There is no discipline. Management does not do their jobs, hold people accountable.
- No follow through – and that starts at the top.
- Sales, I'm retiring, I just laugh and move on.
- If I don't fix the cars I don't get paid, and yet they want me to spend time acting like a janitor. There is no hourly help down in service to fix cars or take garbage out. I come in at 7 and go to 5:30, tired, not taking out the garbage too.
- They trip over the dollars to pick up the pennies. They do nothing in the business to make money.

- This is a good dealership because of the people, the mechanics, the techs, this place used to do 200 cars a month. Why doesn't it? Because you don't have the people to do it and no owner presence.
- You get spun around like a top with all the changes.
- I see tremendous lack of professionalism. People skills are much desired. When you walk out of here at the end of the day you don't feel good, and you don't feel good going into work either.
- I *was* very motivated, doing the sales, and doing very well. Then we had a change of management again. Now there is a wait and see to find out where this organization is going – if anywhere.
- More team work is needed here, everyone is pointing fingers and passing the buck. Just take responsibility for making a mistake, I'm sorry I made a mistake, I'll correct it.

## Facilities

- Average Lincoln Mercury, mostly older customer, and when they come in they want to relax and have their cup of coffee, the waiting room is disgusting.
- Cleaning – this place is only 8 years old and absolutely filthy
- Getting to the service area for a customer is confusing and depressing. It's hard to find the customer entrance, then when you into the waiting room there's no free coffee, a TV that is crap, chairs that are filthy, and you sit next to a tire display.
- Look at the bathrooms, they are filthy.
- Not to mention the way the store is laid out. The sales people need to be able to watch the service waiting room to hit them up.
- Randy's input would be to say that there is a customer on the lot, make the sales person feel bad. But the placement and arrangement of the showroom affects our ability to see the lot. And our manager told him over and over about that.
- The downstairs break room is a mess, with purple mold on the ceiling.
- The lawn guy won't mow between the Legion and here, because of the rocks. The grass grown this tall and looks bad. Why do we pay him. Where is the pride in our grounds and facility?
- We have an open sales desk, so everyone goes there. It needs to be closed like other dealerships. It's not effective this way.
- There are potholes in the parking lot of a year and a half. Someone crashed into the blocks up front, took 3 months to fix it.

- They dug up the front yard, seeded it, it is now a weed pit -- all in front of the building, in front the of the used cars – but we are Lincoln Mercury. It's embarrassing.
- Service is downstairs and sales is upstairs – awful a big barrier.
- I had a customer say, "I have never seen a lot so bad in my life. Someone could fall and break a leg and they would own the building."
- I've seen a lot of eyebrows lifted by customers when they use the bathrooms.
- The appearance of the shop is so old, it is dowdy.
- The pot holes could have been fixed, if we had a roller. If you get the blacktop and we will go do it. Randy said no someone will.
- Was listening to a customer's car, with him driving and he falls into a pot hold
- We have a Lake Henderson, when it rains, it's 8" deep. It gets so deep you hesitate to get the car.
- He [Randy] doesn't own this building, so nothing gets done.
- If we are a Lincoln Mercury, we should look like one.

### **Other**

- The dealership and the org as a whole has a lot of potential, I hear and speak to customer one on one all the time. I hear poor responses because of location in Webster. and I live here. We have a vested interest to be part of the growth of Webster as a resident, with the dealership.
- Verne was great. He was very frustrated at the Greece Ridge store, wasn't allowed to do a lot of things he would like. The customers liked him and the store.

### **Hiring / Training**

- They will pay a new car managers, but let the cars sit out there, costs hundreds of \$\$ in interest
- They bring in people who have never done used cars and assign them to that. If you don't know the industry, it's like giving a fish a book to read.
- The office or the techs can't get any bonus, because the sales side is making \$4,000 mistakes, such as having inexperienced people appraising cars
- How do you hire a lot guy with no license? Even the lot guy doesn't want to work here. When we sell a \$50K Lincoln, it looks like it came from the inner city.

## Leadership

- I think Randy will spend more time here now. We're happy he got rid of one place; has to be here for us guys to talk to.
- Service managers -- if they had more appearance in the shop, had more discipline in wearing uniforms, taking out the trash, cleaning up the floor. You don't see them. They doesn't make an appearance.
- This is the place is the perfect definition of insanity --we keep doing the things the same way. As we told the last 8 consultants, we have an absentee owner, who doesn't give the managers the ability to do anything. He says, "Do whatever you want, but don't change anything and don't make any decisions." Then when you finally see Randy to run the idea by him, he says we have to talk about it at the meeting.

## Management

- The driver came to work, he could barely stand up, totally intoxicated -- yet he was delivering a car. He picked a fight with the manager and still nothing was done. No accountability.
- The morale was very good when Verne left. He was a great manager of people and store.
- Verne took the bull by the horns, Verne was a hands on guy, took responsibility, proud of what he did.
- Verne was here a year, can gauge each dealership by where Verne was here. He was very good at getting people to work together.
- We pay someone to come in and power wash the cars, we PAY someone to do that, when we employ the guys to do that - but the lot guys are not accountable,
- When Randy had Verne it was very busy.

## Owner

- He [Randy] has an open door policy, but have to make an appointment and that's very difficult. It takes a long time to get to him. After a while it becomes not worth the effort. If he were truly interested he would be around.
- You could be a kamikaze pilot, when you have a dealership store, you don't have to make money. He's paid no matter what. He has got his money. He has 5 year to make it or he takes his money and goes.
- Nepotism with the people who are supposed to clean this place. They clean his house too and bill it here, but you have to at least clean our place. It's filthy.

- Randy's basket is very full, too many eggs, lots of churches. He knows this business; he is a very good salesman himself. He has the ability to run this place - to run it and run it well. I don't know why he allows it to go on.
- The owner is never here.
- They never know when Randy is there or not, she always has to call out to see if he is there.

## Parts

- You have to wait for parts -- some times days.
- We should groom the wholesale business for revenue. How can you do that without a parts driver? We don't worry about wholesale. There's a lot of money in wholesale, why not have the guy who needs a part come here instead of going to Auto Parts?
- If you want to run a good dealership, can't tell the customer you don't have the part right there – then you aren't going to fix it right the first time. We don't have a permanent parts driver, we share, so the customer suffers. And our image drops. Our customers lose faith in our ability to deliver prompt, reliable service.

## Selling

- Why is there a customer on the lot and both the sales manager and sales rep didn't notice it. Look at the big picture. What is wrong?
- Why not new customers? It's too embarrassing, they aren't treated right, I wouldn't do that. I can control the old customers despite their perception. But you can't control the new customers – they come in fresh, look around, make perceptions. I haven't built a trust with them so that they ignore the customer treatment and facilities here.
- If we had a sales greeter, we wouldn't need the sales people to watch the lot. We'd have better success rate.
- I offered some of my skills from other experiences for getting more sales. I told the manager, who referred it to someone else, and then have heard nothing. It is demoralizing.
- I think that if you want to establish a business, you want to have familiar faces. You introduce new customers to the sales manager. I can't think of how many we have had, 30-40 sales people, so they come to service or buy and they want to go up front to see their sales manager. It's a different face every time. How does that feel – if you were to do that what impression would you get?
- We need stabilizing. There are too many transitions. A customer starts working with someone and then they leave. If they make a purchase, they want to build along term

relationship, and that is how you get repeat sales. They don't want to hear from a salesperson from another dealership.

### **Service**

- I have a lot of loyal service customers, for what we charge them they don't get half of what they should. If you pay more than list price for the parts, should at least be getting coffee, a clean car.
- Last week, there were so many cars in line when another customer came in. No one greeted him. So he left – it happens all the time.
- The porter situation, if you took a dealership like Dorschel, if had a porter and were writing someone up. A customer needs a ride to work, he would stop portering, to drive them.
- There will be times, when the service writers are busy, and the phone is ringing off the wall, you'd think a service manager would pick up the phone. But, instead they hide away and don't pitch in.
- When the car is out the door, we can't work on the cars. Have to have a porter.

### **Skills**

- Lack of training for the tech – there is no training schedule – there is no certain amount of classes they are required to do. The Service Manager doesn't do it.
- Sales people have no training. We watched a young kid, his training was to shadow for a couple of days. What kind of training is that? He's not ready. He'll lose more sales than if he were not here.
- There is a lot of frustration; everyone is just thrown out there. "Here you go, you have a job." There is no direction. No one tells me what to do.

### **Tools**

- We can barely look at the customer service history, without going through a lot of rigamoral. You have to write it down on a piece of paper and then rewrite it up. Going through the microfiche would be faster, The service writers write-up time is twice what it should be.
- We've been working in unsafe conditions for years. For instance, the life - when it goes up it binds, jerks when goes down, grinds make funny noise, feels unsafe. We had a survey of what needed to be done, made a list, but nothing was ever fixed.

- We had Reynolds and Reynolds the shiny star of computer system. Then they went to a piece of crap, ADP. The decision was made with disregard of other departments. Why? Because it was cheaper! You pay for it in other ways.
- The transmission jack is broken. Yes, we got the work done anyway, and it will always get done, so the feeling here is why take care of it.
- You can't get computer fixed here.

### **Trust**

- 3 out of 40 employees in Greece were brought over; that is not what was in the paper.
- The greatest thing I can see that needs to be fixed is stability within the dealership -- from building sales, confidence, trust, be an open book. We used to know the gross on sales of vehicles and now we don't. Things change, why was this done on service, where are these charges coming from? Sales look at it as income, when not full disclosure it presents an situation of trust within the dealership.

### **Turnover**

- Goes back to compensation, etc, if you had all in place, you wouldn't lose good managers, they would have no reason to go anywhere,
- A new sales guy comes here for the experience, to learn and will then leave – and no one seems to care or tries to keep them. Lost too many good people -- unnecessarily.
- It is the same thing over and over and over and over. The ideas are great. They just never get carried out. They'll bring people in -- they bring management team here, they will sit in the management meeting and in two months they are all gone.
- Key people leave this dealership. He makes no attempt to keep them, has a ripple affect in the dealership. Not why are you leaving, what can I do, nothing to find out the root. His attitude is "If they want to go let them go".
- They get their training pay for a month; then they leave.

## Observations and Conclusions

Based on the interviews, roundtables and survey scores the following observations and conclusions can be made. It is important to stress that the information in this report is not the end. It is the *beginning*. It is a *platform* upon which strategies can be created and implemented. It provides information that will enable the company to sharpen its competitive edge – tap into the power of its people, and once again thrive.

### (See Executive Summary)

#### **Critical Success Factors:**

Critical Success Factors (CSF) are fundamental actions I believe are required if the organization is to prosper and thrive. For Henderson Automotive Family of Dealerships, they include:

- CSF #1: Establish a strong core of leadership for each dealership.
- CSF #2: Ensure compensation policies and practices are fair, consistent and communicated.
- CSF #3: Create physical establishments that are safe, appealing and support functional needs.
- CSF #4: Establish strong communications channels – infrastructure, process and culture.

#### Other Key Actions (Driven by strong leadership)

- Item #1: Implement strong roles definitions, job descriptions, empowered processes.
- Item #2: Reinstigate process-centered operations throughout all departments.
- Item #3: Ensure an environment of clear direction and full employee engagement.

## Voice of Employee Assessment Critical Success Factor – Summary Statement

The Henderson Automotive Family of Dealerships organization has a history of strength and prosperity. However, in the recent years it has been struggling with a number of issues, fueled by industry and economic problems.

At this point, the business is teetering on the edge. If serious steps are not taken, it will gradually worsen with significant losses. Upon what basis do I make these statements?

**From a sales perspective**, the strongest sales people are about to retire and leave. The current influx of customers tends to be from Randy Henderson's personal contacts in the community along with the loyal customers to individual sales reps. There is little advertising and marketing efforts to bring in new customers. There seems to be little or no efforts in creatively attracting prospects.

**From an employee perspective**, morale is at an all time low. With the exception of the short-term spurt and enthusiasm from moving the Lincoln and Mercury franchises to the Ford store, there is a low, but constant level of being on the edge of despair. There is a desperate hope that this project will *finally* bring about the fundamental changes they crave.

**At the root of the problem**, is the current lack of leadership. Randy no longer takes the role of leader and business builder. There is no one in place to fill that slot. Because of this Randy holds the reins too tight (and from afar) so that nothing gets done – in terms of moving forward, aggressively in the marketplace and with solid infrastructure to sustain it. There are several key “protectors” in place that have the intention of ensuring the business survives from a financial, legal, technological and marketing perspective, yet in many ways these efforts are barriers to growth.

Randy's intentions are well meaning. He is perceived as a kind and good man with a heart of gold. He is considered approachable by most, yet at the same time his schedule and personal style makes it extremely difficult to reach him.

Employees *want* the business to work. They want to remain and create dealerships that shine above others. This statement is not to be taken lightly, as it is a rare situation when this seeming oxymoron is evident. The employees *want* this dealership to succeed. They *will* do what is needed IF, they are led, instructed and motivated. If they are treated with the respect that everyone knows they deserve – in all aspects including appreciation and compensation.

Over the recent years, there has evolved a highly incendiary and insidious issue with compensation issues. The employees no longer trust Randy to do what is fair and supportive in terms of pay and rewards.

- Undefined pay plans
- No raises over a number of years
- Declining pay – even in salaried jobs; making less now than years before
- Payouts are not what was expected; people have to “fight” for what they believe they deserve
- Inconsistent application of perks such as demos, ability to buy cars, get service
- No medical or dental benefits or contributions
- Arbitrary 401K contributions
- No parties or outings to show appreciation
- No high-performing sales incentives like Presidents Club, trip, reward of some type
- Inconsistent pay standards such as some get paid vacation but not paid holidays

Additionally, most employees tend to work long hard hours, give up meals, come in early, attend meetings on days off, answer phone calls and conduct business from home. Yet there is seldom a thank you, a good job, or ongoing appreciation and recognition for hard work. In fact, they are prodded with the idea of not being a “team player” if they don’t jump on board with this demanding schedule. And still the compensation is not there.

The facilities have deteriorated at both locations to the point of embarrassment. Employees are not willing to entice people to come there.

- The bathrooms are a real point of contention for employees and customers
- The parking lots are a safety risk and an object of conversation from customers
- Cleanliness through the installations is an issue. As an example, one day the toilet overflowed and spread water across the showroom floor. They all got out mops and sopped it up. The off hand comment, from a manager was, “this is the cleanest the floor has looked in a long time.”
- Disrepair of major tools
- The layout of functional areas does not support attracting customers (cars are not visible) and reaching out to customers (not visible to the lot, no easy access to customers in service, etc.)

The question you may ask, is “If this is the situation, how are we functioning? Why do people stay at all?”.

In this industry of cut-throat, low integrity, high pressure-cooker environments, Henderson Automotive seems like a “safe haven” from an emotional standpoint. The price they are willing to pay for this “peace” at the moment is losing out on their personal and family lives, and receiving what they perceive as inadequate compensation and appreciation.

The employees *like* Randy Henderson. For the most part they trust him with their ideas. Though this is a mixed bag, because they do not trust that action will be taken by anyone after their concerns and suggestions are offered up.

### **What To Do**

Randy must decide if he is “in” or “out”. Right now he is straddling the line, not in enough to be around, to take leadership and conduct the management actions required.

According to Gerber, author of the “E-Myth”, a business requires three roles: visionary, manager and technician. For example, if the business were a pie-making one, the technician would be the “doer”, the one who could make great pies. The manager would be the one in charge of making sure the business was run profitably with marketing, people, training etc. The visionary would understand the industry, the customer needs, and would shape the future direction.

In this organization, there are many, many strong “technicians” – people who know how to “do” the job and want to do the job. However, there are no real “managers” and with the possible exception of two or three individuals there seems to be no “manager” talent – and these will leave when the right offer comes along unless they are developed and empowered with processes, infrastructure and leadership.

### **Action Steps**

**Step One: Therefore, the first action step for Randy is to decide what role he wants to have** – ambassador / chairman of the board or company CEO and leader. At the moment he has 14 direct reports with no real time for any of them. He is not onsite of either location on any consistent basis. One can’t be an absent leader and be effective in any way. Randy can decide to reassume the role or find real talent that can fill that spot for both dealerships – and empower them to build the business.

**Step Two: If Randy wants to continue as ambassador, one where he travels, spreading the message and goodwill, gaining contacts and prospects, he has to recruit highly skilled, leaders who can also manage.** People motivators, team builders, process creators. They need to build an infrastructure of process and people. They need to be creative and imaginative. They need to look at things differently. (Use the Chris Crouch model for identifying the *right* candidate.) He needs to empower them to build the business.

If, however, he chooses to take over the leadership reins, Randy needs to choose one store to manage, making arrangements for someone with the right skills to handle the other. He then needs to execute the requirements above of a people leader and manager.

**Step Three: Create a place where employees like to come to and are proud to invite customers.** Create a plan to creatively and substantially, clean up the location, enhance the dealership facilities so that they are functionally supportive of sales, service, and interdepartmental communications. This includes the sales desk placement, service waiting room, greeters, porter, and so on. A clean up effort to establish and maintain a spotless environment in the yard, the bays, the employee areas.