



Four Steps to Creating a Technician Retention Plan

Solid fixed operations absorption has always been vital to dealership success. As the automotive industry is once again in flux, front-end growth is slowing and your fixed operations are even more critical.

Yet, there's a shortage of qualified technicians in the workforce. Finding good candidates is daunting, and recruiting those you find before your competitors do is getting more difficult.

When you do find and hire a good technician, the likelihood they will stay with you is abysmally low. The annualized turnover rate for service technicians last year was a staggering 24%, according to the NADA 2015 Workforce Study.¹ Here are four ways you can build a retention plan to keep your quality technicians and stop the costly revolving door.



1. Build Solid Training Plans

Training should do more than ensure your technicians can properly diagnose and repair, or keep warranty ratios in line. Make it an investment in helping them build their career, and be sure your technicians know that's what their training is doing.

Define Individual Training Paths

Tailor each technician's training path to his/her skill level and growth potential. Use your OEM's path as a guide and give realistic completion dates, even blocking off the technician's schedule if necessary. Discuss each person's progress during individual monthly or quarterly training path reviews. Then, give them ample opportunity to put their new knowledge to work and reward them for reaching milestones along the way.

Promote ASE Certifications

ASE certifications are a great way to validate your technicians' knowledge, ability, and experience. If your OEM doesn't require them, be sure you include ASE tests in your technicians' training paths, placed in line with the OEM courses. Make it as easy as possible for them to complete these certifications by scheduling the tests and even paying the fee if they pass. You can sweeten the pot with a bonus for each test passed. Proudly display each technician's certifications where your customers can see them. This gesture sends a message to your customers about the quality of your service and, more importantly, reinforces to your technicians the value, respect, and pride you have in their achievements. (Get started at ase.com/home.aspx)



Encourage State Inspection Licenses

Motivate your technicians to obtain their state inspection licenses (if your state requires safety and/or emissions inspections) by including them in the training paths. Keep track of their license renewal dates and help them get recertified. Get all of your technicians on the same schedule and offer to hold an in-house recertification class to save them, and you, the time and trouble of traveling off site. Consider covering all or part of the cost to obtain inspection licenses and renewals. Remember, these inspections are beneficial not only to the technician, but also to your store.

2. Grow Your Technicians

New hires nurtured from the beginning of their careers often evolve into more loyal, high-producing employees than those in advanced career stages. They can be groomed, tend to have fewer bad habits, and adapt easier to dealership processes. Grow your technicians from the ground up, from students and interns into your top technicians.

Choose Secondary and Post-Secondary Students

Community vocational schools and post-secondary automotive programs require students to intern. Whether generic or OEM-specific, these programs also utilize local employer advisory boards. Put your service managers on these boards to get first pick of the best apprentices. To find local opportunities, check with your state's automotive advocacy organization, your franchise's representative, or these online resources:

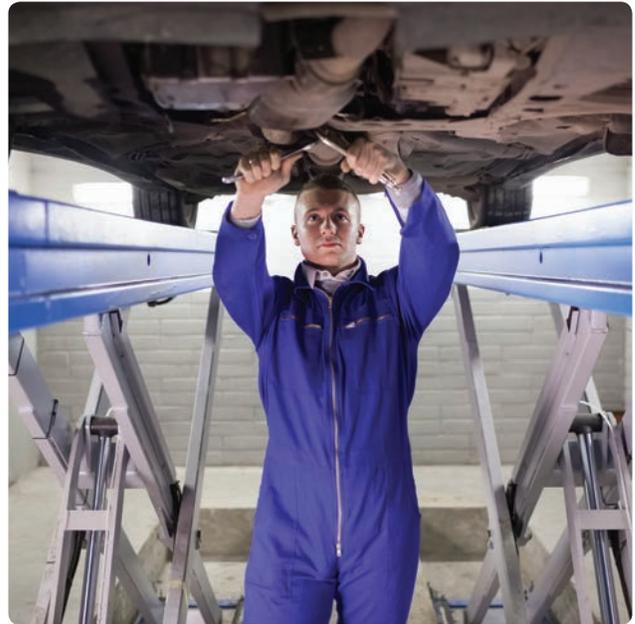
- TradeSchools.com
- AYES.org (Automotive Youth Educational Systems)

Assign Mentors to Each Student/Intern

Mentors should have the demeanor, skill level, and experience to properly guide the intern. It's important that they are bought in to the process and are willing to help bring those student apprentices up through the ranks without being threatened by the concept. Compensate the mentor for the extra responsibility with a pay rate increase or by assigning the apprentice's billed hours to them. As the student's skills grow, they can work more independently and start to retain a portion of their produced hours.

Keep Them Loyal With Tuition Reimbursement or Tool Scholarships

Once you've trained them, you have to keep them. Tuition reimbursement is a mutually beneficial investment and a rewarding way to secure a competent student. By dispersing the payments incrementally after graduation, you motivate them to stay in your shop longer. The longer they stay, the more likely they will become long-term team members. Beyond tuition coverage, you can help them get over the costly hurdle of purchasing tools. Snap-on and AYES have student tool and tool box plans to help them get quality tools to start their careers. The student pays your investment back with tenure after graduation. You can visit www.ayes.org/Students-Parents/Scholarships/AYES-SnapOn-Tools.aspx for more information.



3. Creatively Compensate

Carefully designed compensation plans can not only retain your back end's most valuable investment, but also motivate them to produce more so you get the biggest return on that investment. Hourly and flat-rate industry-standard pay plans are well and good, but to get technicians to stay, turn more hours, increase the bottom line, and secure the dealership's financial stability through fixed operations absorption, it's time to look into some outside-the-box compensation.

Inspect and Reward Performance Levels

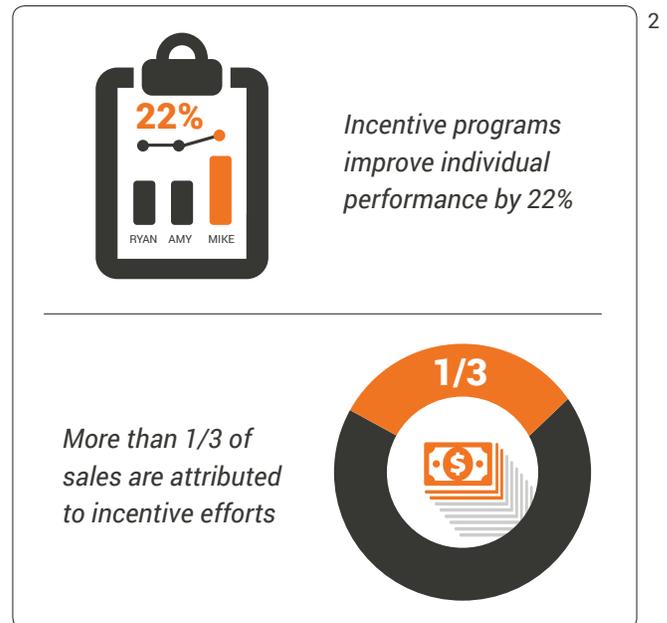
Track efficiency, productivity, and proficiency. Make sure your technicians know what the dealership's benchmarks are for each area and their individual expected contribution. Align compensation to these goals and set no limits when a technician exceeds the dealership standard. It shows your technicians that their expertise and performance is recognized and rewarded. They perform at a higher level, producing more hours in a day and making the bottom line a lot healthier—a definite win-win.

Make CSE/CSI a Priority

Be sure technicians understand their direct impact to CSE/CSI beyond just "Fixed Right First Visit" on survey results. And, help them realize the correlation between the customer voice and retention. Technicians need to be responsible for their part in boosting customer satisfaction. The best spent CSE/CSI budget isn't expended on compensating customers after a bad experience. Instead, spend it on technicians and the parts and service team to ensure those scores reach the top and stay there. Share the dealership's goals and satisfaction reports so technicians can monitor their individual performance. And like advisors and managers, bonus technicians for above target CSE/CSI performance.

Get Creative With Spiffs and Bonuses

Let technicians earn a little extra money while you get additional sales. Looking to boost inspections or sales on a particular part? Perhaps that new machine needs to start paying for itself? Spiff your technicians to focus on checking and recommending appropriate upsells. If you pay your spiffs in dollars, pay the winners in cash instead of a check. Cash can be spent immediately and simply feels like a better reward. But remember, spiffs don't always have to be monetary. Paid time off, lunch off site with management, OEM apparel, gift cards for tools, etc., are all great motivators. Be careful not to let your spiffs get stale. Offer a new program each month with different types of rewards. One month, spiff anyone who upsells the special. The next, spiff only the top performers. Use pull boards and other visual incentive props to engage employees. Get creative!



4. Care About Your Team

There's a common belief that employees leave managers, not jobs. Be the kind of manager that no one wants to leave. All employees want to feel appreciated and respected. Technicians especially want their direct supervisor to understand what they go through every day. Done correctly, creating an atmosphere of encouragement, care, and respect doesn't require a tremendous amount of your time. But it does require making it a priority and getting out in the shop. The payoff is a sizeable impact on the technicians' engagement and performance.

Master the Impromptu 1-on-1

Annual performance reviews are extremely important but cannot be the only form of individual communication. Take a walk. Randomly stop and chat with a technician. Don't talk about work. Let them know you value them as a person, not just an employee. Always end by asking, "Is there anything I can do for you today?" Be prepared for the "white whale" requests, but there will also be simple suggestions that can have a huge impact when addressed. Sometimes, just knowing you want to help makes them feel appreciated.

*"Employees are people first, and they have an intrinsic need for bonding that does not automatically turn itself off between the hours of 8 and 5. The best managers can understand and relate to their team members' inherently human motivations."*³

Hold Shop Meetings

Formal shop meetings keep employees in the loop and are a great place to acknowledge milestones, like tenure and training completions. Distribute an annual calendar listing the monthly date and time along with advance copies of the basic agenda each month. Keep it short and don't reschedule. Leave time at the end for roundtable discussions and spot early signs that a meeting may be getting off topic or turning negative. Stay positive and use these meetings to tell the shop as a whole what is not being done correctly. Every issue can be viewed as an opportunity if addressed correctly. Keep everyone more engaged by paying your flat-rate technicians for this time; it is definitely worth the investment.

Maintain the Equipment and Facility

A technician's bay is their office. Broken, unavailable, or outdated shop equipment is the equivalent of working without a computer or phone. You wouldn't want to work that way in your office, and neither do they. Shop equipment that is maintained and working not only increases efficiency but boosts morale. Keeping a clean, organized, and well-lit facility will also reduce accidents and show your technicians that you value them and the space they work in every day.

Feed Them!

Nothing makes technicians happier than free food in the shop. When the pizza boxes come out, it gives them the chance to take a well-deserved break and shows you care. You can also hold a technician appreciation barbeque. Block your schedule for that one day and make them your priority! Simply providing ice cold water and Gatorade on hot days can do wonders. Small gestures can pay big dividends in morale and your relationship with the technicians.

Conclusion

With a shortage of quality technicians available, a well-crafted retention plan helps you keep the technicians you have and makes them even more valuable than you thought they could be. It's time to do what it takes to make long tenures in your shop the new normal.



1 "NADA Study Reveals 71 Percent Turnover for Dealership Sales Positions," October 27, 2015, www.drivingsales.com/news/nada-study-reveals-71-percent-turnover-for-dealership-sales-positions/

2 "How to Build an Effective Sales Incentive Program," Meredith Mejia, August 28, 2014, www.workstride.com/build-effective-incentives-program/

3 "What Managers Must Know from the Gallup Employee Engagement Survey", www.getlighthouse.com/blog/gallup-employee-engagement-survey-managers/



Autosoft develops and supports a complete dealer management system (DMS) that has been named the Highest Rated DMS from DrivingSales for three years in a row. With affordable month-to-month contracts, Autosoft's DMS improves processes and reduces operating costs in over 2,000 franchised automotive dealerships. Easy to use, affordable, and innovative software helps dealers focus on their customers' needs.