

Technician or entrepreneur?

Case Study #1

JT loved fixing dents. The more dents he did, the happier he was.

During slow times, his mind would race, he became anxious, hoping the phone would ring soon with another dent. His next challenge.

His favorite were the ones turned down by others. Even the dents which clearly needed painting to make the car whole again.

“Sticking it to the competition” he called it. His customers were sometimes taken aback by his loathing for competitors. “Those guys are lightweights!” or “they just want the gravy, the easy stuff” or once, without thinking “I’m gonna put those guys out of business”.

His customer winced and stepped back when he heard it. JT knew he better keep those thoughts to himself.

His wife grew weary and zoned out when he talked about dents. She could sense the seething rage underneath his words.

“This industry is going downhill fast. The Evil Empire is trying to take over and stealing our business. Other techs are making toilets out of their own nests by training people.”

When JT got on one of his rants, she tried to not be affected, but he was so passionate, so angry.

Yes, JT was happiest when he was pushing, because the helpless feeling which fueled his

discontent was, for a time, quieted. Focused only on the image and reflection in front of him, he could relax.

Distressing thoughts seemed far away.

Whom are you watching?

But this season was unusually slow. He had fewer dents and way too much spare time on his hands. With no dents to focus on, he turned to something else. His competitors.

There was a new one in town with a fancy shop and they were advertising low prices. He hated everything about them, their better location, their advertising, and yes, their prices. Every time he happened to drive by their shop (sometimes going five miles off route to do so), it looked like they had lots of business.

JT swallowed hard as he contemplated lowering his price one more time. “I know I’ve got to be competitive, but it feels like I’m working all day for not much dough. I made more and worked less five years ago! I hate what people are doing to this industry,” he muttered to himself.

Buy low and sell low. It didn’t make sense to JT, but it worked for Wal-Mart. Who could argue with their success? They are huge and keep growing. They crushed the Mom and Pop shops with low prices. Maybe he should do the same. Lower his prices.

JT knew a lot of used car managers. He considered a couple his friends, but he wondered sometimes if the only thing they were managing to use was him.

He asked Bob over at the Chevy house for advice.

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“You need to run more advertising,” he offered. “We spend a lot, maybe too much, but when we don’t, we can feel it.”

JT got a bitter taste in his mouth. He had run spots on the radio, newspaper and even TV. Once, when he was flush with cash from a hailstorm, he dropped five grand in three months on a new TV channel. They gave him tons of free spots, but he got no business from it. He did get recognized by a lot of people. The TV guys were smart in putting JT’s face in the commercials.

“You have to ask people how they heard about you,” the ad rep would say.

But when he would ask, the customer always said, “I dunno, yellow pages I think”. Maybe they did see his TV spot, and then looked in the phone book, but JT knew that money was never coming back.

He hated the yellow pages, too. So frustrating, now there were three major books in his town. When he started, there was only one. He was confused by this and never knew where to put his money. “Which book do you not want to be in?”

Those fat cat sales people knew how to push his buttons.

There was the attractive older lady with a store bought figure and low cut outfits. The GQ man with crisp, starched shirts and gold cuff links. How did they all manage to drive such nice cars? Is the commission on yellow page sales that good?

What are you watching?

JT’s thoughts wandered back to his current problem. No cars to work on. He turned on the TV to quiet his mind. Daytime shows really stunk. But he liked Jerry Springer.

Watching people with worse problems than his somehow made him feel better. Maybe even superior. He sometimes wondered if watching so much conflict had an effect on his attitude. He always felt ready for a fight right after. But still he watched, and thought to himself, “glad I’m not like these folks!”

With time on his hands, he turned to the internet. The PDR message boards were a place for him to feel not so alone. He felt power in what must be the sheer numbers of people just like him who spent time there. They were angry too. And sometimes, he caught a little Jerry Springer kind of action going on, too. Like the thread where two local competitors attacked each other for their pricing.

He liked the forums, too for the way they went after the Evil Empire. Dent Wizard. They were taking over the world, with their corporate money and aggressive salesmen. What JT could never understand, though, is how Dent Wizard managed to get so much business, but also charge more. This did not make sense to him.

Participating in, or usually, just watching the forums gave him a sense of power. There was strength in numbers. He could see time and again, the social pressure one could exert. Mad at your trainer? Pissed at a tool company? Go on the forum and let it rip. That’s what the internet is for, right?

JT knew his industry was changing. He could feel the pressure at home to “be competitive” and lower his prices. After all, he just wanted to put his head down and push. The business part of it? He really couldn’t care.

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Sometimes, he wished he worked for someone else. 'Just put me in the back and let me push' he would say.

But he knew he could never work for someone else again. He hated "the man". The oppressor who had the nerve to tell him when to show up and when he could go home.

JT was unemployable and he knew it.

What are you fighting?

He had to do something. There was a technician's association formed and he joined it. They were attacking the problem head on, it seemed, and he wanted in. This was his kind of fight.

They had a common enemy, the Evil Empire, and anyone who had the nerve to train someone new. JT liked the feeling of power it gave him to be part of this action, to exert social pressure.

Nagging thoughts plagued him, though. He knew from talking with tool makers, there were thousands of techs in the world. Yet only a hundred or so became members. And why did so many of them hate Dent Wizard in public, but work as subcontractors for them in hail storms?

He shelved those thoughts and got back on his favorite subject: being damn good at dents. JT was the best and he knew it. This feeling he liked. No one could touch him on the size of his repairs. At least not in this town. In fact, he knew in his heart that compared to him, all these other techs just sucked!

"As bad as those guys are, I can't believe they get work at all!"

But they did. JT felt the tension in his gut rise once again. "Why do people keep spending good money on crap work? Can't they see it? Don't they know they're being ripped off?"

He glanced at the clock. "Its time for Springer," he muttered out loud, and hit the couch. He punched the remote and logged in on the laptop.

Case Study #2

TB had a dent business, too, in a town much like JT's. TB also loved to fix dents. He wanted to be the best he could possibly be and was not afraid to pay for information to get there.

Much as TB liked pushing, he actually looked forward to down time, too.

"Slow times are for business building," he would say. Some might think he had a Polly Anna attitude. Or he had his head in the clouds, or even buried in the sand.

But TB was a pragmatist. Meaning he loved new ideas, but only when they proved practical. He knew the changes going on around him, but being practical, he rolled with it.

"Improve what you can, accept the rest." He tried to live by it now. But it wasn't always so.

TB would never snub his nose at a tech like JT. In fact, he used to be just like him. He was once filled with the same angst and frustration.

But one day, he got off the couch and took action.

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He went to the library. He decided to read every book about business and marketing he could find.

One author, whose name now escapes him, really got his blood boiling.

‘Look around at your friends, the people you spend the most time with. Whether online or on the TV, this group is affecting your attitude, for good, or bad.’

TB had heard this kind of thing before. Made him mad every time. He liked his friends and his shows and his forums.

“These guys think we are like puppets, not in control of our own thoughts,” he thought to himself.

Still, he knew his feelings and mood sometimes affected others around him, so maybe something was here.

This time, he decided to give it a test.

Change

He turned off the TV and Internet and started reading. He listened to recordings of successful people and implemented what he could.

Some changes were quick. He got along better with his wife. He began to see her as his supporter and not a sparring partner.

But most of all, it changed his approach to business.

He no longer focused on keeping busy, he focused on keeping business. Like staying in contact with his stark raving fans. Customers who were glad to find him and appreciated the attention.

He discovered the 80/20 principle. This helped him understand his company’s role in his market, and how not every person can be your customer.

How 80 percent of his revenue came from 20 percent of his customers. He learned the need to take care of the ones who take care of him.

He stopped focusing on his competition, or at least, not to an obsessive degree. Don’t get me wrong, he paid attention to what they were doing, but he did not hate them any more.

In fact, in a way, he began to appreciate them. If they weren’t here, someone else would be. He even began to look at the low-ballers in a new way.

‘Every business has its bottom. So bottom feeders will always be here. Somebody has to eat the waste which falls to the bottom of the lake.’

TB changed his thinking. He realized too, that in a way, he was once a bottom feeder, too. By putting price first, he kept himself there.

He thought, “I learned how to change, maybe these guys will too.”

From another book, TB discovered, “Every good business must have competition. Show me a business without competition, and I’ll show you a business without money.”

“Since I can’t fix every car, can’t have every customer, then I must be careful which cars and customers I now choose.”

He learned this from Dan S. Kennedy. Dan told the story of a business owner who once said, “My customers would never let me do

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that!” You do get to, and yes, you really *can* choose whom you do business with.

Since TB now looked at competition differently, he gave up the desire to control them, too. He now realized there is no need to exert social pressure to force people to change. This was all futile.

Admittedly, TB felt disappointment and anger at the time he once wasted on these endeavors. Now, though, he would not allow himself to dwell.

“Disappointment and failures are part of life and business. When something angers you, allow yourself an hour or a day for self pity, then move on. Take action on the next project.”

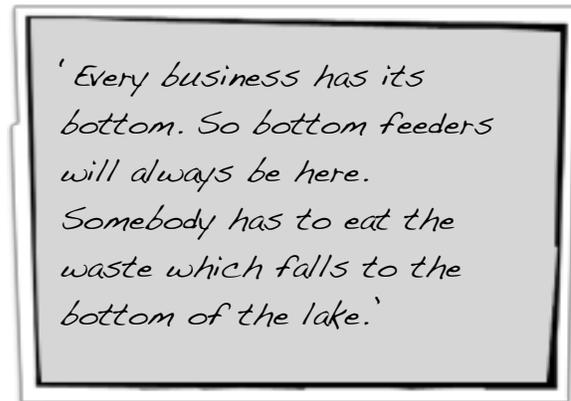
TB understood now that he and his business were never victims of outside circumstances. This was liberating, because again, he stopped trying to control the things which he could

Like JT, he once loathed the yellow page reps, too. Now, he had a system for tracking which ads came from where, he knew very well which ad, even which book worked and which didn't.

At first, implementing systems seemed like a huge task. TB was pleased when he learned an easy way. All he did was look at everything he did in his business. How he filled out an invoice, how he sent a statement at the end of the month. Then, he wrote it down. Once it was on paper, it was a system. Someone else could easily come along and learn by what he wrote down. This way, he could delegate quicker and easier.

not. At the same time, he redoubled his efforts at controlling the things he could.

Instead of going through each day and allowing things to come up in his business and reacting to them, he put systems in place.



Systems for getting business, doing business, even tracking where his customers come from. He even implemented a system for building business.

His exercises in system building gave him a profound respect for very large companies, like Dent Wizard. Like JT he once hated, or maybe, more feared them and what they could do to his business.

Now that he knew about marketing and business control, he could indeed see Dent Wizard has what some would call an unfair advantage. He could also now understand it was their obligation to make this happen to the best of their abilities.

As he studied their business model, he saw the need to educate his body shop customers and put iron fences around them where he could. He also took a pragmatic approach to the fact that some of his shops may well be forced to

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use his company *and* Dent Wizard's in a hailstorm. The thought did not please him, but he could see how two companies in one shop would drive each other to do their best.

Of course, JT and TB are just made up fellows, but the only thing separating them is their thinking.

JT is Johnny Technician and TB is Tommy Businessman. Both guys in the same business but completely different outlooks and attitudes.

Some of what's told represents the changes I've made and some are taken from student's stories.

I hope your growth is similar.

Changes to the Hail Business

Is it true Dent Wizard has positioned themselves between you and your body shop accounts?

Yes, in a way.

Dent Wizard is now the DRP, or direct repair provider for Farmer's insurance hail claims in the U.S. PARS, another hail company has the same status in a few states.

How this is different from years past is this. Farmer's customer gets hail damage. Calls 800 number to make claim. Claim is sent directly to Dent Wizard who now has a call center set up to fulfill the claim.

Call center calls customer and says, "Dent Wizard will be taking care of the repairs on your car."

The customer, none the wiser, now does what they are asked to do. That is, unless they understand they are not obligated to use Dent Wizard. If they give DW the go ahead, DW will now begin calling body shops in the area and ask who wants to have a hail car fixed at

their shop. If the shop is smart, they will see it as found money and jump on it.

Bad news for you if that is your body shop.

Last year the car would likely have come to same shop and you as preferred vendor would have fixed it.

Now Dent Wizard will use one of their own techs or call in a subcontractor, which could also be you.

Understand?

Dent Wizard has placed themselves between the body shop and the customer. Although the car will be fixed at that body shop, Dent Wizard is responsible for any repairs. Even if the car needs panel replacement.

Let me put this another way. Dent Wizard has effectively turned the tables on body shops by making them the subcontractor.

In light of this, what should you do?

I suggest you see how it plays. If one of your shops are affected, you may be sharing that shop with another subcontractor.

So the best thing you can do is reaffirm your commitment to the shops as the local PDR fulfillment guy.

Also, you need to keep a database of past and current retail customers. If you don't already know who their insurance company is, ask them. Send out a letter and post it on your website.

Make sure your customers know they have a choice in who fixes their car.

Should you jump into the fray and try to stop it? Maybe join an association? Up to you to decide. For me, I'll take the practical approach and control what I can and forget the rest.

I see it as an opportunity to get more work, possibly. Remember, Dent Wizard sticks firm at paying the body shop no more than 20

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Technician

- unable to accept impending change
- focuses on competition
- tries to control competition
- joins industry group focused on doing so
- wants work/ money for today
- runs from price/ goes lower
- says "you got to be competitive"

- we can make it up on volume

Businessman

- watches competition to learn
- tries only to control own business
- sees change coming, asks what action must I take?
- uses today's business to bring money tomorrow
- builds systems

percent. That's less than I give and of course it means more money goes to tech.

In a business where some Johnny Technicians are giving (yes I said giving) body shops as much as 40 percent, it could well be a good thing.

Me and Tommy Businessman? We're gonna roll with it.

Running from Price

When you're slow the temptation to lower price is strong.

Remember, if you drop your price by 20 percent, you have to bring into your business and then do 20 percent more work. Will that happen? Can you fulfill it?

There are two things which affect whether someone will buy from you or not.

Ability and desire.

The desire you can build, ability you have no control over. They either got it or they don't.

Trick is to find the folks who got it to spend.

You do get to choose.

I fixed a Nissan GT-R the other day. Rare and high dollar. It was owned by a fellow who

was Regional Director for electronics retailer Best Buy.

Having heard electronics were the one element of the economy still doing well, I asked him how Best Buy was faring.

"Terrible. We decided to go head to head with Wal-Mart on electronics. Last year our revenue was 14 percent. This year, its 4. We make 40 bucks on every thousand dollar TV we sell."

Same traffic, same overhead, same costs.

Some games are just not worth playing.

Till next time,

Tim

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